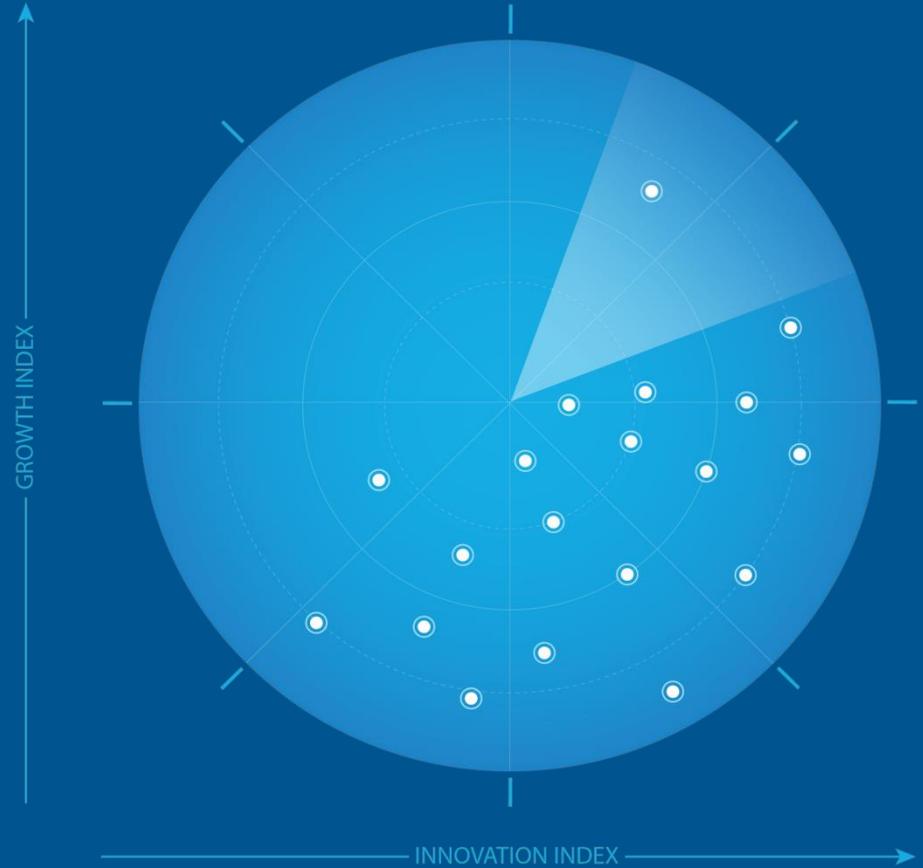


Frost Radar™: North American Hosted IP Telephony and UCaaS Market

Benchmarking Future
Growth Potential

Global Information and
Communication Technologies
Research Team at
Frost & Sullivan



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Strategic Imperative and Growth Environment



The Strategic Imperative

- North American businesses and public-sector organizations are facing heightened challenges as COVID-19 quarantines and other lifestyle changes affect the way workers perform their job tasks and interact with co-workers, customers and partners. The unprecedented rise in remote work, supply-chain disruption, customer demand volatility and elevated employee and customer safety concerns brought to light the need to update business continuity programs and accelerate business process automation.
- Digital technologies, including cloud communications solutions, have captured the spotlight in this time of crisis. To help customers more quickly enable businesses continuity by deploying flexible cloud services, many hosted Internet Protocol (IP) telephony and unified communications as a service (UCaaS) providers launched free trials and extended payment terms during the quarantines in the Spring of 2020. Cloud-based video meetings, team collaboration, phone system and UCaaS have provided much-needed tools for remote knowledge and task workers, as well as certain frontliners, such as doctors, nurses and teachers, to stay connected with both their internal teams and external parties, including customers, patients, students, suppliers and distributors.
- At the time this study is publishing, the global pandemic is already experiencing a second wave, which means that most businesses will be unable to resume normal operations for the foreseeable future. Continued remote work for a high proportion of workers, staggered shifts for those working on the premises and strict workplace safety protocols will dictate the need for further workflow digitization and leverage of cloud services to maintain business operations.

Source: Frost & Sullivan

The Strategic Imperative (continued)

- With the initial state of panic now over, it is time for business leaders and information technology (IT) and telecom decision makers to strategize about their companies' digital transformation and the importance of moving mission-critical software workloads to the cloud. A holistic approach that aligns IT and telecom investments with specific business objectives, including any necessary business model adjustments due to new market requirements, are needed to ensure long-term success.
- Communications and collaboration solutions represent the lifeblood of any organization and have become even more critical today as employees need to physically distance from each other, as well as customers and other external parties. Adopting cloud communications and collaboration solutions can provide an organization with the agility to promptly respond to ever-shifting market conditions and internal company mandates.
- When selecting a hosted IP telephony and UCaaS solution businesses must take into account key factors such as reliability, security, scalability and extensibility in addition to functionality and price. Provider vision, technology roadmap, financial viability and customer support capabilities are also critical to future-proof communications investments.
- Collaboration-centric, mobile-ready solutions based on open-standards platforms offering flexible application programming interfaces (APIs) can provide greater value to businesses supporting a substantial number of remote, mobile and hybrid workers, as well as those looking to optimize workflows with integrated communications and collaboration services.

Source: Frost & Sullivan

The Growth Environment

- The North American hosted IP telephony and UCaaS market has been on a steady growth trajectory for the past two decades. The global pandemic is likely to have a net positive impact on market growth in the long term as many businesses accelerate their digital transformation strategies and embrace cloud services as the key pillar of enhanced business continuity programs.
- In the near term, UCaaS solutions are likely to see pockets of rapid growth in certain customer segments and verticals. However, cloud migration, as well as overall digital technology investments, may be hampered by the global economic recession, pervasive workforce reduction and rampant business failure, particularly among small businesses in the US. New user and customer acquisitions are likely to offset installed base churn and delayed new projects for the majority of service providers and thus for the market as a whole.
- Service providers leveraging modern cloud architectures and with the ability to deliver services over public broadband, on any connected device and network, are likely to better capitalize on growing demand for hosted IP telephony and UCaaS than providers relying on managed circuits, premises-based infrastructure (e.g., session border controllers (SBCs)) and desktop devices.
- The market has been bifurcated for years with some businesses looking to replicate traditional private branch exchange (PBX) feature sets in their cloud phone system solutions and others seeking to adopt more modern, collaboration-centric users experiences. The rise in remote work and increased demand for mobile-ready solutions, as well as the extensive adoption of video meetings and team messaging solutions, are likely to create pull-through for cloud calling services that are part of broader collaboration suites regardless of the robustness of the feature set.

Source: Frost & Sullivan

The Growth Environment (continued)

- Going forward, providers with broader cloud services suites are likely to experience faster growth than those selling point solutions. Integrated cloud collaboration suites such as Microsoft 365, Google Workspace and Cisco Webex will gain traction as businesses seek to deliver more compelling user experiences whereby users can use a single pane of glass to access a variety of modalities including, voice, video, team messaging, SMS and more.
- Highly diversified provider portfolios—including communications, contact center, productivity, connectivity and other services also enable one-stop shopping for businesses, which helps consolidate vendor relationships and streamline the technology evolution roadmap for the organization’s entire digital fabric.
- Another trend is also emerging—certain providers have unbundled the cloud applications from the connectivity and calling plans to provide greater flexibility for customers. The majority of small and medium-size businesses (SMB) continue to prefer all-inclusive service bundles that comprise the full communications and collaboration feature set, as well as a session initiation protocol (SIP) trunk with unlimited domestic calling.
- However, large organizations are often bound by existing contracts and/or have the ability to negotiate highly economical connectivity services prices with their telecom providers and therefore prefer to bring their own SIP trunks. Service providers pursuing rapid international expansion must also provide this option to businesses in locations where the provider does not have a local exchange carrier status.

Source: Frost & Sullivan

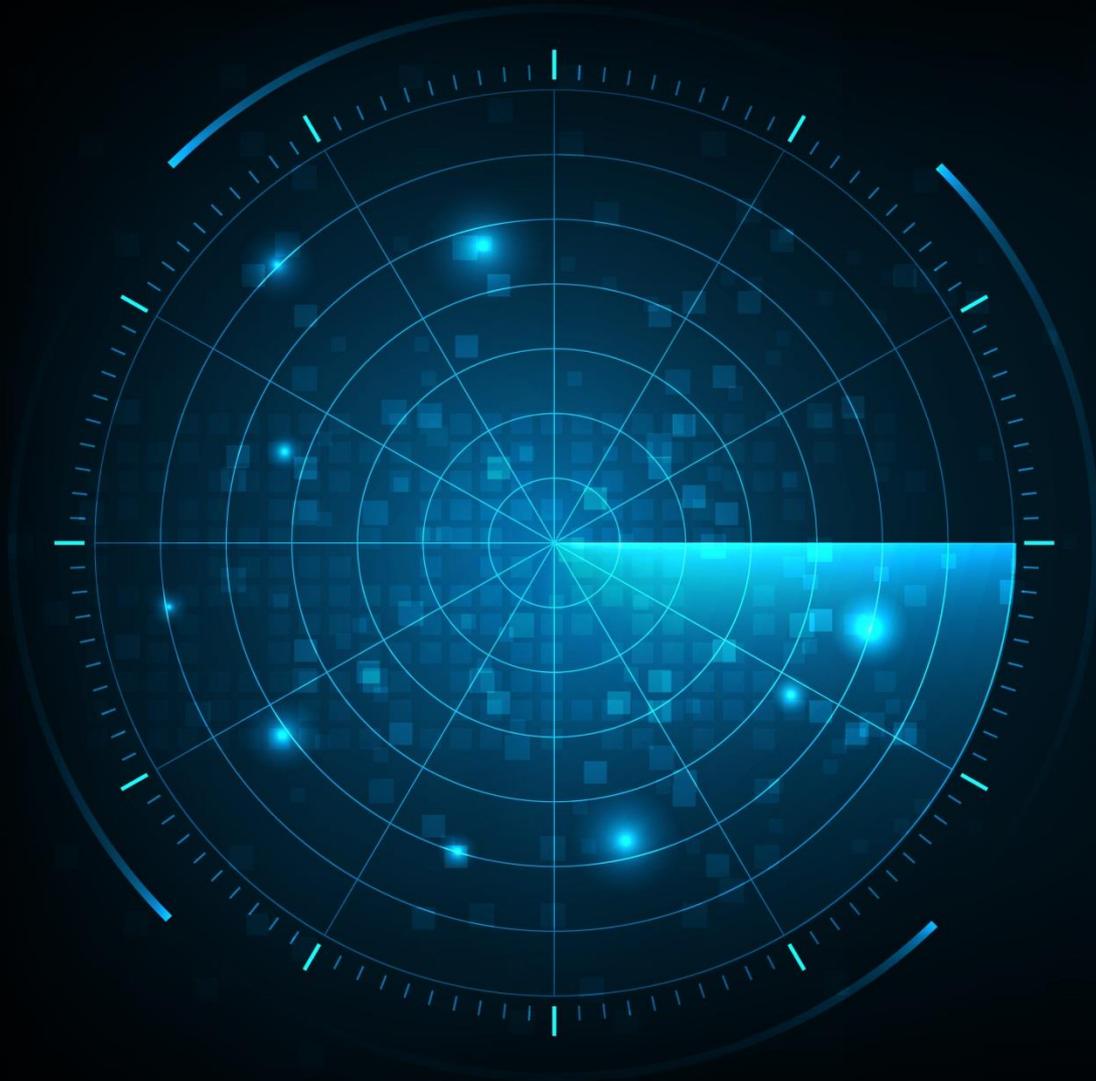
The Growth Environment (continued)

- A growing variety of deployment options—in terms of tiered feature packages, connectivity, endpoints and more—will drive wider adoption across the entire spectrum of North American businesses. Maturing connectivity technologies—including public broadband, SD WAN, LTE and 5G—and innovative cloud architectures based on containerization and micro-services will accelerate adoption, as well as improve customer satisfaction and reduce churn.
- Improving service reliability, security and compliance will further solidify UCaaS appeal and drive penetration among businesses and organizations with more stringent service performance requirements that have so far hesitated to adopt cloud services.
- The next phase of industry evolution will be marked by the rise of programmable communications, which will enable deeper, more flexible integration of communications and collaboration features into business, productivity, vertical and other third-party software. This enables businesses to leverage communications for more tangible operational efficiencies and productivity enhancement by automating routine workflows, reducing opportunities for human error, streamlining mission-critical businesses and improving the user experience.
- Flexible APIs and communications platforms as a service (CPaaS) will enable unprecedented customization of technology deployments to address specific and unique use cases. Programmability will also enable UCaaS providers to expand their reach beyond the carpeted office and deliver greater value to the relatively untapped frontline worker segment and tailor solutions for different verticals.

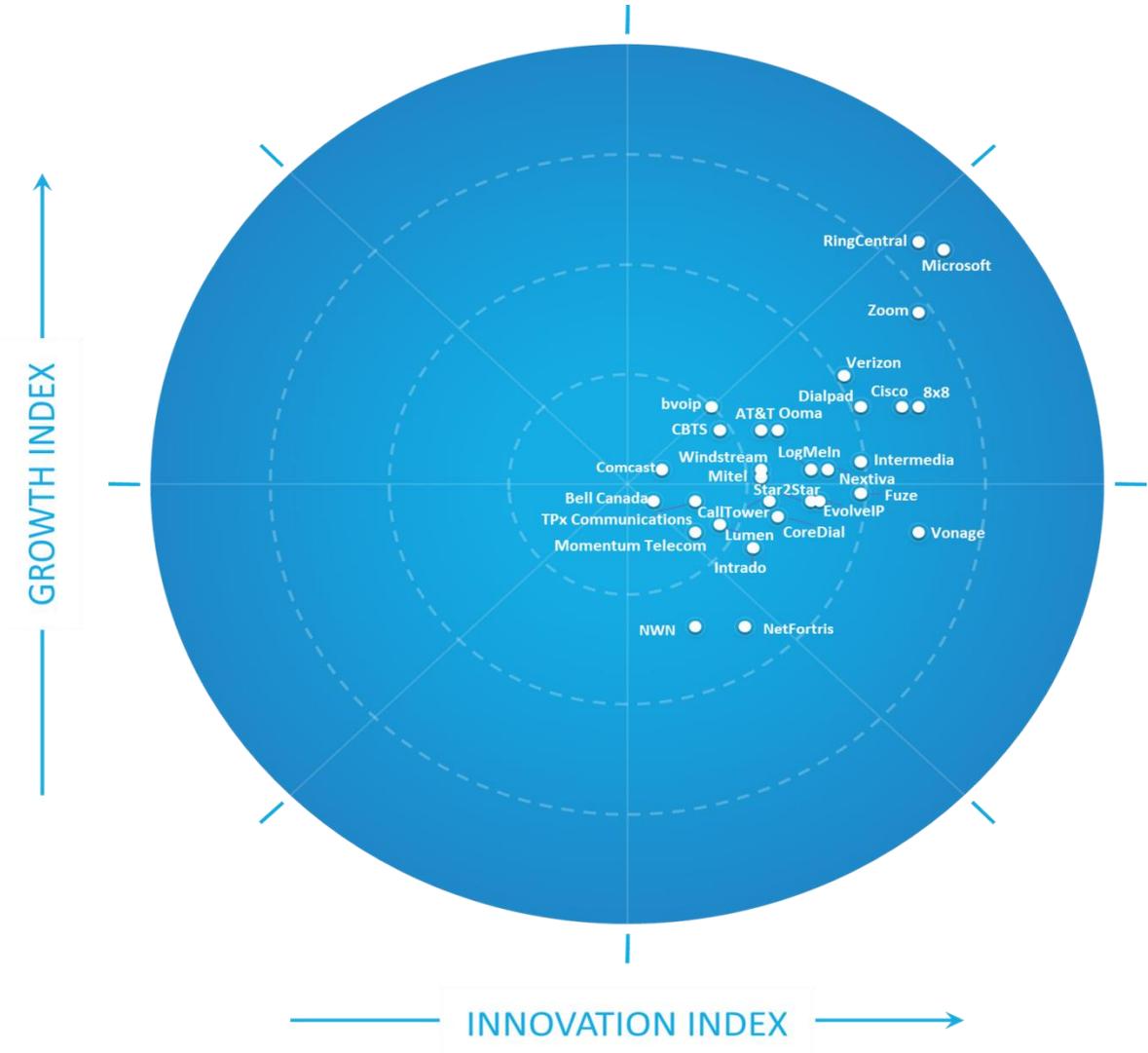
Source: Frost & Sullivan

Frost Radar™

North American Hosted IP
Telephony And UCaaS
Market



The Frost Radar™: North American Hosted IP Telephony and UCaaS Market



Source: Frost & Sullivan

The Frost Radar™: North American Hosted IP Telephony and UCaaS Market (continued)

- In a field of more than 120 North American industry participants, Frost & Sullivan independently plotted **30 growth and innovation leaders** in this Frost Radar™ analysis.
- Parameters assessed in the analysis included:
 - Innovation Scalability
 - Research and Development
 - Product Portfolio
 - Mega Trends Leverage
 - Customer Alignment
 - Growth Pipeline™
 - Vision and Strategy
 - Sales and Marketing
- Frost & Sullivan studies related to this independent analysis:
 - Growth Opportunities in the North American Hosted IP telephony and UCaaS Market, Forecast to 2026
 - Frost Radar™, European Hosted IP Telephony and UCaaS Market

Source: Frost & Sullivan

Frost Radar™: Competitive Environment

- The North American hosted IP telephony and UCaaS market remains highly fragmented despite ongoing mergers and acquisitions. New product launches by a variety of technology developers, as well as increasing popularity of wholesale services and private-label UCaaS offerings are likely to perpetuate market fragmentation in the foreseeable future.
- Key success factors in the North American hosted IP telephony and UCaaS market include:
 - Completeness of UCaaS portfolio, including a robust cloud PBX feature set, mobility, and advanced collaboration capabilities such as video meetings, group chat and team spaces
 - Flexible solution packaging and pricing
 - Open, scalable and extensible cloud platform
 - Excellent service quality, reliability, security and compliance
 - Compelling channel programs
 - International presence
 - Strong brand recognition
 - Digital customer journey for SMB
 - Robust implementation, onboarding, customization, integration and solution lifecycle services
- Frost & Sullivan tracks more than 120 service providers hosting their own proprietary platforms or solutions delivered by third-party technology developers. Of those, 30 providers have been selected for their growth and innovation leadership, notable accomplishments in the past year and prospects for success based on their technology development roadmaps and effective go-to-market strategies.

Source: Frost & Sullivan

Frost Radar™: Competitive Environment (continued)

More specifically, Frost & Sullivan has evaluated market participants based on a pre-determined set of growth and innovation criteria, as follows:

- **G11: MARKET SHARE (PREVIOUS 4 YEARS)**
Based on installed user data from 2016 to 2019.
- **G12: INSTALLED USER GROWTH (PREVIOUS 4 YEARS)**
Based on installed user data from 2016 to 2019.
- **G13: GROWTH PIPELINE™**
 - New billable UCaaS features or services
 - CCaaS
 - Integrations, APIs and CPaaS
 - New geographies
 - New customer segments (e.g., frontline workers)
- **G14: VISION AND STRATEGY**
 - Seen as a visionary (aligned with mega trends)
 - Speed to market with new features
 - Creative packaging and pricing
 - Security, reliability, quality, compliance
 - Execution aligned with vision/profitability
- **G15: SALES AND MARKETING**
 - Targeted and creative marketing
 - Effective sales-oriented culture
 - Knowledgeable customer support, sales, billing staff
 - Robust channel
 - Creative partnerships

G1: High performers on this criterion have maintained leading market shares in the past 4 years.

G2: High performers on this criterion have maintained higher-than-average growth rates in the past 4 years.

G3: High performers on this criterion leverage a robust, self-sustaining growth pipeline™ system with strong investment in emerging markets and products, driving more than 50% of growth from 'adjacent' and 'blue sky' (new products for new markets) opportunities.

G4: High performers on this criterion have become a benchmark in the industry for their dynamic vision, as well as their strategy and execution excellence; they have demonstrated their ability to continually scale their business, diversify their offerings, and grow their revenues well above industry average rates.

G5: High performers on this criterion have implemented leading technology platforms (CRM and marketing software) and seamlessly integrated sales and marketing to strengthen brand and drive demand generation, with initiatives contributing to more than half their growth in the last 4 years.

Source: Frost & Sullivan

Frost Radar™: Competitive Environment (continued)

- **II1: INNOVATION SCALABILITY**
 - Cloud architecture, micro services
 - Agile product development
 - Nimble organization, innovative culture
 - Innovation/ideation processes in place
 - Co-creation with customers and partners
- **II2: RESEARCH AND DEVELOPMENT**
 - Size of R&D budget/R&D budget as % of revenue
 - Clear focus (by customer segment, vertical)
 - Clear differentiation
 - Consistent roadmap
 - Proprietary vs. 3rd-party UC stack
- **II3: PRODUCT PORTFOLIO**
 - Robust PBX
 - Robust/differentiated mobility
 - Robust video/web conferencing (extra credit for proprietary solutions)
 - Team collaboration
 - CCaaS (extra credit for proprietary omni-channel solutions)
 - APIs and integrations
 - Tangential services: connectivity, MPLS, SD WAN, broadband, mobile network

II1: High performers on this criterion are leaders in innovation, with world-class innovation processes that have helped them gain a much wider client base globally and strong revenue growth across core, adjacent and greenfield markets.

II2: High performers on this criterion have been clear leaders in total R&D investment, with a well-established technology strategy/roadmap and a robust measurement system to confirm R&D effectiveness.

II3: High performers on this criterion leverage their tremendous breadth of products to maximize revenues across the entire market, and demonstrate relentless focus in maintaining overall product leadership.

Source: Frost & Sullivan

Frost Radar™: Competitive Environment (continued)

- **II4: MEGA TRENDS LEVERAGE**

- First/early to market with: mobility, integrated UCaaS+CCaaS, team collaboration user interface, CPaaS and flexible APIs
- Innovate in the IoT/machine to human space
- Leverage of AI/AR/VR
- Focus on frontline workers
- Possess broad/strong vertical focus

- **II5: CUSTOMER ALIGNMENT**

- Conduct CSAT surveys with a feedback mechanism
- Integrate customer feedback into R&D
- Beta test with customers
- Track net promoter scores (NPS)
- Co-create and co-innovate with customers

II4: High performers on this criterion are genuine leaders in proactively leveraging mega trends to develop both new products and new business models, and are renowned for their visionary, long-term strategic outlook.

II5: High performers on this criterion lead in customer alignment—execute CSAT surveys with feedback mechanisms, integrate customer feedback into R&D/product development/sales strategies through a formal process, beta test offerings with customers, and track net promoter scores (NPS).

Source: Frost & Sullivan

Companies to Action
Companies to be considered First
for Investment, Partnerships, or Benchmarking

FROST RADAR™ LOCATION

- 8x8 is a U.S.-based pioneer in the VoIP space. Through a series of acquisitions, 8x8 has greatly expanded both its services portfolio and its global presence.
- For more than a decade, 8x8 has ranked among the top 4 North American UCaaS providers in terms of both revenue and installed users.
- On Frost Radar™, 8x8 is a leader in terms of innovation with one of the highest scores among providers due to its robust feature set and adjacent capabilities, such as video, CCaaS and CPaaS.
- Key future success drivers for 8x8 include improved channel presence, greater traction upmarket, and ability to leverage its platform to address unique use cases.

INNOVATION

- 8x8 holds one of the most comprehensive cloud communications portfolios in the market. It also leverages a proprietary platform that enables it to innovate faster and more cost-effectively than most other providers using third-party platforms.
- 8x8 delivers greater value than most competitors with its X Series bundles of UC and contact center. The various functionalities in X Series leverage a single core foundation, a common data store, and shared services such as ML/AI-based quality management, speech and sentiment analytics, recordings, CDRs, storage, security, APIs, and compliance across both contact center agents and UCaaS users.

GROWTH

- 8x8 accelerated growth rates in 2019 and 2020 to date.
- 8x8 has the potential to boost growth through new partnerships, such as those with ScanSource, Virgin Media and Poly.
- Creative packaging and pricing, such as 8x8 X Series (UCaaS + CCaaS) and 8x8 Express (an e-commerce platform) can also expand opportunities.
- The dramatic increase in remote working due to COVID-19 and the launch of a standalone video meetings solution may help drive growth in the near term.
- 8x8 supports users in 168 countries, provides unlimited dial plans in 47 countries, and numbers in 120+ countries, enabling it to tap into the MNC customer segment.

FROST PERSPECTIVE

- 8x8 has assembled proprietary technologies that will enable it to remain at the forefront of innovation going forward.
- Significant improvements in its go-to-market strategy will help accelerate growth.
- Recently introduced 8x8 Voice for Microsoft Teams, provides an enterprise-grade integration with Microsoft Teams and brings local numbers, dial plans, integrations with third-party apps, analytics and native contact center capabilities, and will expand 8x8's addressable market.
- CPaaS and flexible APIs enable 8x8 to provide vertically-tailored solutions, differentiate and tap into new customer segments.

Source: Frost & Sullivan

FROST RADAR™ LOCATION

- AT&T is among the top North American hosted IP telephony providers and is leveraging its significant technology and market expertise to grow in other regions.
- AT&T faces the challenging task of managing a highly diverse and evolving hosted solutions portfolio, including its flagship offerings: Cisco HCS-based UCaaS, Cisco Webex Calling with AT&T, a global, feature-rich solution for enterprise customers and Office@Hand (based on RingCentral), an over-the-top solution catering to both deskbound and mobile SMB and mid-size businesses.
- AT&T is seeing growing adoption of its hosted solutions and is one of Cisco and Microsoft's largest partners globally.

INNOVATION

- AT&T is dependent upon third-party vendors for call control platforms, but has demonstrated innovation in the areas of user experience, flexible PSTN options, hybrid architectures, and integrations with third-party solutions.
- AT&T complements its hosted services portfolio with contact center and conferencing solutions, VoIP and SIP trunking services, voice and data connectivity, networking, security, and a plethora of value-added services.
- AT&T's experience and expertise in network services management and delivery ensures greater service quality and reliability.
- AT&T Concierge Services provide customer value during implementation and the solution lifecycle.

GROWTH

- AT&T established presence in the North American hosted services market with its Cisco HCS-based UCaaS offering and some legacy BroadSoft technology-based solutions. It is likely to see accelerated growth leveraging Office@Hand and Webex Calling with AT&T.
- Notably, AT&T manages the world's largest Cisco HCS+Webex deployment with hundreds of thousands of seats in 180+ countries.
- Direct Routing services for Microsoft Teams can help expand AT&T's addressable market among businesses choosing the Microsoft Teams user experience combined with robust voice calling capabilities.
- CPaaS based on Ribbon Kandy (now part of American Virtual Cloud Technologies) can enable AT&T to address unique customer use cases.

FROST PERSPECTIVE

- AT&T can leverage its broad range of hosted IP telephony, UCaaS and contact center offerings to meet the diverse needs of different businesses, from SMBs to large enterprises.
- AT&T can leverage its vast consulting services portfolio to assist businesses with their digital transformation projects.
- AT&T must clearly differentiate its various offerings to help prospects easily identify the best solutions for their specific needs. It may need to further rationalize its hosted services portfolio.
- AT&T can leverage its specialized sales team and UC experts, as well as RAMP—its Rapid Adoption Marketing Program—to accelerate growth.

Source: Frost & Sullivan

Bell Canada

FROST RADAR™ LOCATION

- Bell Canada's flagship Bell Total Connect offering has seen considerable success since its launch. Initially based on Cisco's BroadWorks platform, Bell Total Connect has evolved into a full UC offer, with Calling (Cisco BroadWorks), Teams and Meetings (Cisco Webex), all integrated within a single client for the best possible user experience.
- Owing to the acquisitions of Bell Alliant and MTS, Bell Canada also offers hosted solutions based on Cisco HCS and Ribbon platforms.
- Bell Canada is the Canadian hosted IP telephony market share leader. Its strong brand and existing customer relationships have contributed considerably to the success of Bell Total Connect.

INNOVATION

- Bell Canada solutions are supported by Cisco for core platform functionality, and the provider demonstrates innovation leadership in network technologies and additional services. Bell Canada's strong partnership with Cisco also enables it to influence the vendor's technology roadmap.
- Bell Canada will be the first service provider globally to integrate BroadWorks with Cisco Webex Teams and Meetings, giving customers market-leading collaboration and endpoints, along with a carrier-grade voice experience—all delivered and supported by Bell.
- Bell Canada's diverse product and services portfolio allows it to bundle Bell Total Connect with other IT and communications solutions.

GROWTH

- Bell Canada's hosted IP telephony installed base and revenues have grown steadily at or above industry average growth rates over the past few years.
- Bell Canada's extensive geographic reach throughout Canada enables it to effectively support organizations with multiple distributed sites.
- The provider's large partner network delivers local support as well as additional services, which enables Bell Canada to effectively serve customers of varying sizes and geographic locations.
- Bell Canada's industry-leading network ensures superior service quality, security, and reliability, which drives high customer loyalty.

FROST PERSPECTIVE

- Bell Canada must leverage its large customer base and reseller channel to grow its hosted VoIP business faster.
- It must promote mobility capabilities more actively to gain traction among businesses with mobile users. It must also use recent solution upgrades (e.g. advanced meetings and collaboration) to compete effectively against entrepreneurial competitors.
- Bell Canada must capitalize on its strong relationship with Cisco to continue influencing the vendor's roadmap and thus promptly address customer needs and differentiate from competitors.
- Intensifying competition will require a more aggressive approach from Bell Canada to maintain leadership.

Source: Frost & Sullivan

FROST RADAR™ LOCATION

- Key success factors for bvoip include leverage of industry-leading proprietary and third-party technologies along with a partner-centric go-to-market strategy.
- bvoip's feature-rich platform provides differentiated capabilities and highly economical scalability.
- bvoip stands out among competitors with its unique partner-centric business model; consistent development capability; feature-rich, cost-effective solutions; differentiated skill set; and strong commitment to innovation and customer value.
- A unique licensing model based on lines (concurrent call paths) enables high margins for bvoip and its resellers. bvoip also offers a per user model, giving partners their choice in the competitive marketplace.

INNOVATION

- bvoip is disrupting the market with a uniquely-designed partner-focused solution that offers the simplicity and cost efficiency of multi-tenant platforms as well as the security and customization benefits of multi-instance platforms.
- bvoip has extended its entire platform into Microsoft Teams Voice adding Contact Center features, CRM integration, Progressive Dialer and multi-tenant management for its partners.
- To ensure partner success, bvoip has developed toolsets and integrations to various SaaS applications and premises-based software that streamline partner interactions with customers through automated ticket creation, call routing, task creation schedules, and integration with CRM, ERP, and professional services automation (PSA) systems.

GROWTH

- bvoip is one of North America's leading providers of hosted IP telephony and UCaaS solutions. bvoip has experienced rapid growth in the past five years and has secured a spot among the top North American hosted IP telephony providers in terms of installed users.
- bvoip's large reseller network and strong partner enablement capabilities (e.g., critical event alerting engine, automated deployment, centralized toolset for partner access) drive rapid growth.
- With a strong background as an IT services provider and a keen focus on innovation, bvoip is well positioned to enable local interconnects and various IT shops to diversify their portfolios and tap into new growth opportunities.

FROST PERSPECTIVE

- bvoip will benefit from growing demand for inexpensive, secure and feature-rich solutions, as well as growing reseller need for hosting partners that enable private-label offerings.
- bvoip can leverage unique capabilities owing to its IT service provider background to augment the value chain with specific skills and expertise that most other hosted IP telephony providers do not possess, and to address unique use cases and compete more effectively.
- bvoip can further expand internationally to capitalize on broader growth opportunities and better serve multinational customers.

Source: Frost & Sullivan

CallTower

FROST RADAR™ LOCATION

- CallTower provisions, integrates and manages cloud solutions based on industry-leading technologies such as Cisco UCM and HCS, native Microsoft Teams Direct Routing, hosted Skype for Business, Microsoft 365, and Zoom-powered CT Cloud Meeting.
- CallTower adds value and differentiates through multi-vendor solution integration and other services (e.g., WAN acceleration via CT Cloud Boost, Enterprise Contact Center, CRM Integration, SMS Text, UC Analytics), as well as the ability to serve as a one-stop-shop to businesses for multiple communications and productivity tools, which will positively affect its ability to attract and retain customers in the future.

INNOVATION

- Comprehensive CallTower cloud solutions portfolio addresses diverse client needs and delivers complete end-to-end, turnkey solutions for customers.
- Advanced provisioning and management platform for centralized management of all solutions delivers compelling value to businesses managing multi-vendor environments.
- Robust integration capabilities via CT Cloud Unite, including 40 off-the-shelf integrations with popular third-party apps, enables CallTower to deliver custom-tailored solutions.
- CallTower is also the only provider that can voice-enable Microsoft 365 GCC High organizations and add value to government contractors looking to fully utilize their Microsoft Teams client.

GROWTH

- In 2018, CallTower expanded its customer base, as well as enhanced its portfolio with CT Cloud, a highly scalable and cost-effective multi-tenant UCaaS solution.
- With CT Cloud CallTower effectively addresses SMB needs, which will help accelerate growth and scalability going forward.
- Ability to voice-enable Microsoft 365 with native Microsoft Teams Direct Routing and a hosted Skype for Business provides a reliable option to businesses looking for a hosted voice environment and opens new growth opportunities for CallTower among the rapidly-expanding Microsoft Teams customer base.
- CallTower leverages SIP trunking to enable hybrid cloud + on-premises solutions.

FROST PERSPECTIVE

- CallTower can improve margins and grow the business through partnerships, including wholesale resellers.
- CallTower must expand internationally to capture new opportunities.
- With its diverse portfolio, CallTower can also upsell and cross-sell to its installed customer base, as well as attract new customers of varying sizes.
- CallTower can continue expanding among small, medium and large businesses using its diverse portfolio.
- CallTower can capitalize on multimedia conferencing, email, team spaces and productivity services to serve as a single-source provider to businesses, and differentiate from UCaaS providers with less robust portfolios.

Source: Frost & Sullivan

CBTS

FROST RADAR™ LOCATION

- CBTS, the business IT and communications solutions arm of Cincinnati Bell, differentiates from its competitors with its broad cloud, infrastructure, communications, and consulting expertise, and its ability to custom-tailor solutions to businesses' specific needs.
- CBTS was among the pioneers in hosted IP telephony services in the early 2000s. Today, it remains one of Cisco Broadworks and Cisco HCS top partners worldwide and a leading UCaaS provider for retail, healthcare, and state and local government and education (SLED) verticals.

INNOVATION

- CBTS leverages leading third-party technologies for its Hosted Enterprise UC (Cisco HCS), Hosted Unified Communications (BroadSoft/ Cisco BroadWorks), Microsoft Direct Route, and Cloud Calling (Cisco Webex Calling) offerings.
- Dependence on third-party call control and collaboration platforms limits CBTS' ability to influence product roadmaps and speed of innovation, but it continues to integrate new vendors to expand its offerings.
- CBTS ensures deployment success by employing a highly consultative approach and a customized solution design.
- CBTS' broader portfolio—including fiber connectivity, multiple as-a-service network models, integrated contact center, and SIP trunking—provide additional value to UCaaS customers.

GROWTH

- CBTS has grown organically and through M&A via its parent organization, including the acquisitions of OnX Enterprise Solutions in 2017 and Hawaiian Telecom in 2018, to secure a spot among North America's leading hosted IP telephony and UCaaS. With 27 offices in four countries, CBTS is well positioned to scale its UCaaS operations in the future.
- Much of CBTS past UCaaS growth has come from very large deployments, including many in SLED. CBTS is poised for continued growth in this sector as government and education organizations embrace cloud services to support the rise in remote work.
- CBTS' broader portfolio is also a key growth driver as more than half of UCaaS sales also include SD-WAN and network solution sales.

FROST PERSPECTIVE

- CBTS must seek to further enhance the value it delivers to customers (e.g., by cross-selling team collaboration or CCaaS to its diverse UCaaS base).
- CBTS must explore opportunities to integrate communications and collaboration services with third-party productivity, communications, business, or vertical software and services to more tangibly impact mission-critical business processes.
- CBTS may need to explore additional M&A opportunities with the objective of acquiring customers and prospects, as well as differentiated capabilities.

Source: Frost & Sullivan

FROST RADAR™ LOCATION

- With the acquisition of BroadSoft in early 2018, Cisco became a global super power in hosted IP telephony and UCaaS.
- Cisco holds a dominant share of installed hosted IP telephony users through a variety of service provider partners leveraging Cisco BroadWorks, HCS, Webex and UCM Cloud platforms.
- In recent years Cisco increased its focus on the Webex portfolio of cloud solutions, which it hosts and manages, and delivers to end customers via partners.
- Cisco Collaboration Flex Plan and hybrid deployments are creating unprecedented opportunities for the company to provide a bridge to cloud for its significant installed base of on-premises communications solutions customers.

INNOVATION

- With its BroadWorks and HCS platforms, Cisco has earned a reputation as a provider of feature-rich, reliable, secure, and scalable cloud call-control solutions.
- The Webex portfolio has great appeal for businesses looking for an integrated collaboration services suite. The modern, extensible cloud platform delivers a unified user experience via the Webex app and a unified admin experience via Control Hub, and supports third-party solution integration.
- Cisco continues to innovate leveraging AI and ML to enable cognitive collaboration via Webex Assistant, intelligent transcription using voice commands and people insights.

GROWTH

- Building on the success of its partner-hosted BroadWorks and HCS solutions, and its well-established Webex Meetings service, Cisco is expanding its global presence with its full Cisco-hosted collaboration suite.
- Cisco partners and customers are embracing Webex Teams as a user experience and collaboration enhancement to their BroadWorks and HCS deployments.
- Webex Calling, bundled with Webex Teams, enables Cisco to address broader enterprise segments through VAR and service provider partners' reach among existing and new customers.
- Cisco's aggressive marketing initiatives, as well as its compelling new Webex Work offering, may help further expand its market reach.

FROST PERSPECTIVE

- Cisco's greater vertical focus will provide a competitive edge in the future.
- Cisco must carefully manage the delicate balance and create synergies between its telco provider and value-added reseller channels, which compete with each other via both Cisco-hosted (e.g., Webex) and partner-hosted (e.g., BroadWorks, HCS) solutions.
- Future Cisco success will be determined by its ability to position Webex as a value-add to all existing platforms and deployment models among its various resellers—as enhancements to existing offers, new offers or to enable unique integrations.
- Cisco can also leverage its adjacent device, networking and security products to provide comprehensive integrated solutions.

Source: Frost & Sullivan

Comcast

FROST RADAR™ LOCATION

- Comcast is the largest cable company and home Internet service provider, and the third-largest home telephone service provider in the US.
- Comcast has garnered a strong market share in the North American hosted IP telephony and UCaaS market with its flagship offering, Business VoiceEdge. It has subsequently expanded its portfolio with VoiceEdge Select and wholesale VoIP via the Blueface acquisition.
- With its strong brand, large existing customer base of Internet, cable TV and telephony users, continued product enhancements and strategic focus on business VoIP services, Comcast is well positioned to grow its share of the North American hosted IP telephony market.

INNOVATION

- Business VoiceEdge is a competitive business voice and UC applications suite, including PBX, mobility and other communications applications, offered in a compelling bundle with Comcast Internet, data and TV services. It is available both over coax cable and fiber connectivity.
- Comcast leverages Cisco's industry-leading BroadWorks platform to deliver Business VoiceEdge and VoiceEdge Select services. It has enhanced the solutions with proprietary technologies that enable mobility and a collaborative user experience.
- Ownership of the Blueface platform enables Comcast to innovate at its own pace and deliver services cost-effectively.

GROWTH

- Over the past five years, Business VoiceEdge has experienced rapid growth, enabling Comcast to quickly rise in rankings among the top hosted IP telephony providers in North America.
- Extensive experience delivering services to SMBs enables Comcast to effectively promote and support Business VoiceEdge.
- Comcast has also positioned itself for expansion in the very-small-business space with VoiceEdge Select and in the large-business segment that it will target with Business VoiceEdge. The acquisition of Blueface creates opportunities for Comcast to expand its reach through a wholesale model, as well as tap into international markets.

FROST PERSPECTIVE

- Comcast is strongly positioned to capture existing demand in the North American market by capitalizing on its vast network to scale services domestically.
- By extending services out of region (i.e., on third-party networks), Comcast can expand its addressable market and accelerate growth.
- Comcast must continue to enhance its hosted offerings for increased solution appeal among more demanding customers.
- Comcast can also continue to grow its channel to expand customer reach.
- Comcast can indirectly address untapped international opportunities through Blueface.

Source: Frost & Sullivan

CoreDial

FROST RADAR™ LOCATION

- CoreDial stands out among service providers with its ability to leverage its proprietary CoreNexa platform to empower partners with cloud communications services delivery to businesses.
- Platform ownership and leverage of scalable cloud technologies allow CoreDial to price its solutions cost-effectively and thus enable high profit margins—in excess of 65%—for its resellers. Few competitors in the UCaaS market can deliver such value to their resellers.
- CoreDial spares its partners much of the administrative burden, yet provides considerable flexibility by using private-label and co-branding partner models.

INNOVATION

- A home-grown hosted IP telephony and UCaaS solution based on open-source technologies enables rapid and cost-effective innovation.
- A unique SaaS platform for resellers fully automates the service delivery process and enables efficient provisioning, billing and management of shrink-wrapped white-label services.
- In the past two years, CoreDial significantly boosted its capabilities through acquisitions to add valuable CCaaS and video conferencing solutions to its portfolio. CoreDial UCaaS, CCaaS and video also support third-party integration—via flexible APIs and/or professional services..

GROWTH

- CoreDial reports double-digit annual growth rates in both users and revenue.
- CoreDial’s business model and unique partner enablement platform have allowed it to attract more resellers than most other providers. It reports a roster of approximately 825 partners of different skills and strategies.
- CoreDial is leveraging growing demand for new recurring revenue streams among managed services providers (MSPs), value-added resellers (VARs), systems integrators (SIs), local inter-connects, telcos, and others. A significant partner network and installed customer base will provide scale and boost growth rates going forward.

FROST PERSPECTIVE

- With continued focus on solution enhancement and partner value, CoreDial is well positioned to maintain high growth rates in the foreseeable future.
- It must continue to enhance its cloud UC solution and extend integration with third-party software so partners can better differentiate, provide greater value to customers and expand customer reach.
- It can leverage its new SD-WAN offering to expand customer deployment options and address growing demand for enhanced connectivity.
- New CCaaS and video conferencing capabilities will allow CoreDial to attract new customers and deliver more value to existing ones.

Source: Frost & Sullivan

Dialpad

FROST RADAR™ LOCATION

- Dialpad is disrupting the market with highly competitive pricing and compelling integrations with Google Workspace and other business productivity solutions.
- Originally more focused on simplicity and ease of use, Dialpad cloud services offerings have caught up on functionality with those of market leaders. Dialpad has also greatly expanded its portfolio through acquisitions; it presently offers CCaaS, video conferencing, sales enablement tools, advanced voice analytics, and more.
- Strong focus on technology innovation aligned with key market trends along with effective execution are likely to drive future success for Dialpad.

INNOVATION

- A proprietary pure cloud solution lowers costs and speeds innovation for Dialpad.
- Advanced features such as analytics tools, AI, contact center, call transcription, speech coaching, and ability to launch UberConference from Dialpad enhance the value of Dialpad's offerings.
- In addition to Google Workspace, Dialpad also integrates with Slack, Microsoft Teams, Intercom and others.
- Google Platform, which is at the foundation of Dialpad's PBX, UC and contact center applications, enables rapid, cost-effective innovation.
- A diversified cloud services portfolio positions Dialpad as a one-stop shop for businesses.

GROWTH

- Dialpad has exceeded industry average growth rates in the past few years.
- Aggressive pricing, continued solution enhancements, international expansion and important partnerships are likely to accelerate growth.
- Dialpad is particularly well positioned to capitalize on the high value it delivers to Google Workspace customers as it enables tight integration with UCaaS.
- COVID-19 and the rise in remote work boosted growth for Dialpad.
- Dialpad was also one of the first providers to offer free services during the COVID-19 quarantines. Dialpad's ability to convert these free users to paid ones will determine its growth prospects in the near term.

FROST PERSPECTIVE

- Dialpad can use its video conferencing solutions—UberConference and recently acquired Highfive—to upsell and cross-sell existing customers, as well as create pull-through for UCaaS and CCaaS.
- Dialpad can capitalize on the cost efficiency of Google Platform to disrupt the market with cut-throat pricing.
- Dialpad can accelerate growth through further international expansion.
- Dialpad must add more features (e.g., Microsoft Teams collaboration) to its solutions to enhance customer value.
- Dialpad can leverage the flexibility of Google Platform to address unique use cases (e.g., campaigns).

Source: Frost & Sullivan

Evolve IP

FROST RADAR™ LOCATION

- Evolve IP differentiates from competitors with its focus on integrated cloud services for the midmarket, keen attention to industry-specific compliance, service quality, platform reliability, and a more consultative approach.
- Evolve IP offers several UCaaS options—Cisco BroadSoft, Microsoft Teams Direct Routing integrated with Cisco enterprise voice, and Cisco Webex. This allows Evolve IP to better match customer needs and address a broader customer audience.
- Evolve IP's fully integrated cloud services platform of Identity Management, UCaaS, Collaboration, Contact Center and Virtual Desktops enables employees to work from anywhere.

INNOVATION

- Evolve IP has integrated advanced capabilities such as an omnichannel contact center, AI speech analytics with call recording, quality management and business text messaging and enabled them on top-tier voice and collaboration platforms.
- Evolve IP's integrated cloud services platform and advanced identity management tools improve the IT admin experience, provide cost efficiencies and a one-stop shop to businesses.
- Evolve IP continually enhances and expands its portfolio to provide more options to businesses. New offerings such as Cisco Webex Calling, softphone calling in a virtual desktop, and others are likely to boost customer satisfaction.

GROWTH

- Direct Routing and deeper integration with Microsoft Teams is creating growth opportunities for Evolve IP among the rapidly-expanding Teams base. Evolve IP is a Microsoft Gold CSP with 100+ Microsoft-certified associates.
- Evolve IP has grown organically and through M&A. M&A has both boosted Evolve IP's revenues and significantly enhanced its technological capabilities.
- Evolve IP's geo-redundant data centers, keen focus on service security and reliability, and proven history of 99.999% uptime help businesses avoid disruptive downtime, which drives customer retention.
- White-glove services implementation ensures efficient customer onboarding and a better user experience, which also positively affects retention.

FROST PERSPECTIVE

- Evolve IP must continue to focus on delivering measurable workflow enhancements through communications integration with business and productivity software.
- It can capitalize on ongoing international expansion to better serve multinational businesses in the future.
- It must continue to supplement partnerships with innovative technology developers with internally developed and acquired technologies to deliver differentiated solutions to businesses.
- Evolve IP can continue to differentiate through advanced capabilities such as speech analytics, identity management, SMS (notifications, broadcasts), etc.

Source: Frost & Sullivan

Fuze

FROST RADAR™ LOCATION

- One of North America's leading hosted IP telephony and UCaaS providers, Fuze delivers reliable, scalable, feature-rich solutions to enterprises.
- Key pillars of Fuze's market strategy are: strong focus on user experience; enabling globally-available multi-modal, secure and reliable, contextually enhanced conversations; and communications integration with workflows and productivity applications.
- Renewed focus on large enterprises, the mobile user experience and customer success are likely to differentiate Fuze from competitors and enable accelerated growth.
- Fuze scored high both in terms of growth and innovation on Frost Radar™.

INNOVATION

- Fuze offers one of the richest UCaaS application suites, which it bundles with three different CCaaS options, including its own solution.
- A modern user interface delivers a compelling user experience. A consultative approach allows Fuze to develop solutions that closely match customers' specific business objectives.
- A unified, open and extensible platform based on open-source and proprietary technologies provides flexibility in feature development and pricing.
- Web services APIs and Fuze Integrations Ecosystem (Marketplace, Developer Center, and Custom Integration Solutions) enable Fuze to facilitate custom applications and integration with popular third-party platforms and services.

GROWTH

- A commitment to larger, globally distributed organizations has allowed Fuze to grow steadily and evolve its product portfolio to address the needs of this customer segment.
- In recent years, Fuze has considerably expanded its global presence (33% of installed users) with particularly strong traction in the UK and France.
- Fuze reports increasing ARPU due to greater customer adoption of advanced capabilities such as mobility, UC soft clients, contact center, and video meetings.
- Fuze has capitalized on the shift to remote work due to COVID-19 and has seen multifold increase in mobile and web phone calls, chat, meetings, meeting hours, and meetings using video.

FROST PERSPECTIVE

- Fuze must continue its international expansion to sustain growth and better support distributed, multinational organizations.
- Fuze must strengthen its meetings user experience leveraging AI and analytics to enable greater automation, provide context, and add new features such as transcripts, closed captions and more.
- Fuze must extend its early success with frontline workers to fully capitalize on unique growth opportunities in this untapped segment.
- Fuze Customer Success plans and cloud enablement services are likely to boost its value among enterprises and lead to greater customer satisfaction, as well as more robust growth.

Source: Frost & Sullivan

Intermedia

FROST RADAR™ LOCATION

- Intermedia Unite, a full-stack UCaaS solution, features an enterprise-grade PBX fully integrated with web-meetings, team collaboration and a unique blend of file sync, share, and backup—all accessible through mobile and desktop applications.
- Intermedia's proprietary Contact Center solution is built to stand alone or easily layer on omni-channel functionality for both small and large teams.
- Intermedia leverages a large reseller channel to extend its cloud solutions to businesses around the world. It reports a roster of over 6,600 active channel partners, including VARs, MSPs, distributors, and telco carriers.

INNOVATION

- Intermedia's proprietary platform enables rapid feature development and cost-effective scalability.
- Continued solution enhancements via partnerships, acquisitions and internal development represent a key pillar of Intermedia's technology development strategy.
- Intermedia's focus on a completely integrated user experience across all devices and communications modalities is enabled by its end-to-end ownership of the UC, collaboration, and contact center applications. This integrated approach makes user adoption quicker and easier with less to learn and more consistency in the user and admin experiences.

GROWTH

- Intermedia's compelling portfolio and robust channel program have enabled it to maintain steady double-digit growth rates over the past few years.
- Intermedia continues to invest in enhancing its partner programs and capabilities to more effectively serve a wide spectrum of partners, from agents to white-label resellers, and thus broaden its customer reach and accelerate growth.
- Intermedia's recent partnership with NEC is likely to help the provider tap into NEC's large dealer channel and 80+ million-user installed customer base and thus boost customer acquisition domestically and gain international exposure.

FROST PERSPECTIVE

- Intermedia will continue to capitalize on strong demand for cloud communications, collaboration and IT solutions among SMBs.
- Intermedia is further enhancing the UCaaS feature set (e.g., via expanded team collaboration) to deliver greater customer value and tap into companies of all sizes.
- Concerted marketing and sales efforts will help to leverage the NEC partnership to expand UCaaS services internationally and drive growth domestically.
- Increased focus on white-label and co-branded resale partnerships can extend Intermedia's reach into new geographies and customer segments and accelerate customer acquisition.

Source: Frost & Sullivan

Intrado

FROST RADAR™ LOCATION

- Intrado (formerly West Corporation) is a leading provider of network infrastructure, customer contact solutions, and communication services. Its portfolio also includes public safety, telecom, conferencing and collaboration, and IP communications services, and interactive services such as automated notifications.
- In recent years, Intrado has greatly expanded its portfolio and enhanced its capabilities through M&A, including those of UCaaS, digital media, CPaaS, and contact center companies.
- Ongoing company restructuring is likely to enable Intrado to better compete as a more modern solutions provider.

INNOVATION

- Intrado has assembled a hosted IP telephony portfolio primarily based on industry-leading third-party technologies such as Cisco HCS and Cisco Webex.
- The approach limits Intrado's ability to influence the technology innovation roadmap, yet allows better focus on sales and customer relationships.
- With the acquisition of OnSIP Intrado further expanded its technology capabilities and customer reach.
- Intrado differentiates with the ability to deliver a one-stop shop for multiple business solutions and additional implementation, integration, customization, and solution management capabilities.

GROWTH

- Intrado has maintained a strong position among the top North American hosted IP telephony providers since its 2011 Smoothstone acquisition. After several years of rapid growth, however, Intrado experienced a slowdown in 2019 due to shifting priorities.
- With its broad portfolio, recent OnSIP acquisition, and expanding international reach, Intrado is poised to accelerate growth again in the near future.
- Focus on midmarket and large enterprises differentiates and positions Intrado for success in this under-penetrated segment.
- Direct Routing Services for Microsoft Teams will enable Intrado to tap into the rapidly-growing Teams base.

FROST PERSPECTIVE

- Intrado should rationalize its UCaaS portfolio which comprises too many options.
- Intrado must further expand internationally to tap into new markets and support multinational businesses.
- It must leverage newly acquired digital media and CPaaS assets to further differentiate, diversify the portfolio, address new use cases, and cross-sell to the customer base.
- Intrado must promote its vertical solutions to gain traction in highly-specific industry use cases.
- Intrado's new video conferencing service will enable it to enhance customer value.

Source: Frost & Sullivan

LogMeIn

FROST RADAR™ LOCATION

- Prior to its acquisition by LogMeIn, GoToConnect (formerly Jive Communications) had quietly emerged as one of the fastest-growing UCaaS providers in North America.
- Over the past couple of years, LogMeIn's commitment to the UCaaS market created opportunities for the GoToConnect offering to experience accelerated innovation and growth.
- LogMeIn's value proposition is premised on delivering a unified user experience by combining GoToConnect's robust cloud PBX with LogMeIn's industry-leading conferencing and collaboration services. Its growth strategy includes steady international expansion and continued focus on domestic SMBs.

INNOVATION

- A comprehensive feature set and competitively priced bundles provide compelling value to customers and make LogMeIn solutions affordable for the majority of businesses.
- Background as a software development and engineering company enables LogMeIn to approach the market with a SaaS-oriented mindset and focus on important aspects such as the user experience and feature development.
- Home-grown, proprietary platform enables more rapid feature development and more cost-effective scalability.
- LogMeIn places a particularly strong emphasis on solution design and customer onboarding.

GROWTH

- LogMeIn has remained among the leading North American UCaaS providers for the past few years. It reported a particularly strong growth rate in 2019 and is on track to capitalize on rising demand for cloud services to empower remote workers.
- Strong focus on continued product enhancements, service reliability, competitive pricing, and customer service are likely to enable LogMeIn to maintain US robust growth rates.
- International presence is rapidly increasing as well with UCaaS already launched in UK, Ireland, Australia, and New Zealand, and more countries slated for the near future.

FROST PERSPECTIVE

- LogMeIn must increase customer awareness of the LogMeIn/GoTo brand as the market becomes more crowded and competition intensifies.
- It must also strive to increase penetration among larger accounts.
- LogMeIn must continue to place special focus on vertical markets and public-sector organizations to differentiate.
- It must accelerate international expansion to more effectively support distributed MNCs.
- It must also continue to expand its channel network to ensure broader geographic reach and enhance customer service.

Source: Frost & Sullivan

Lumen (Previously CenturyLink)

FROST RADAR™ LOCATION

- With diverse hosted IP telephony and UCaaS offerings and an evolving CCaaS portfolio, Lumen addresses the full customer spectrum from SMB, to mid-market, enterprise and government organizations.
- Broad communications and IT services portfolio, including several distinct and highly competitively-priced UCaaS and CCaaS offerings tailored for different customer segments, industry-leading automation and an improved custom-built customer portal, enable an excellent customer experience.
- Lumen's steady growth rates in the past few years prove the effectiveness of its growth strategy and execution.

INNOVATION

- Lumen's hosted IP telephony and UCaaS portfolio leverages industry-leading technologies from BroadSoft/Cisco. It complements UCaaS with video meetings (via Zoom) and CCaaS solutions.
- Lumen has demonstrated innovation in aspects such as its customer portal, call recording, and in customer support, services bundling, and digital customer experience, among others. Lumen also differentiates from other providers through its hosted IP telephony offerings positioned for different types of customers, as well as through a broad range of adjacent solutions such as connectivity, cloud, and more.

GROWTH

- Strong network capabilities and large geographic footprint provide market power to Lumen.
- The Level 3 acquisition greatly expanded Lumen's network and global footprint, technology assets, services portfolio, and customer base, and will boost UCaaS growth going forward.
- Strong position in the VoIP access and SIP trunking space provides value in premises-based and hybrid deployments and creates opportunities for Lumen to migrate these customers to hosted IP telephony and UCaaS.
- Continued international expansion and new offerings—Lumen Engage and Cisco Webex Calling—broaden Lumen's customer reach.

FROST PERSPECTIVE

- Lumen can further enhance its hosted IP telephony and UCaaS offerings with new features and endpoints, additional certifications, third-party software integration, etc.
- Lumen can leverage its comprehensive Managed Office solutions and services to address demand for one-stop shopping of multiple cloud services.
- Lumen can capitalize on demand for digital customer journeys with Lumen Engage that can be provisioned completely through a digital experience.
- Lumen can also use its FedRAMP certification and Cisco UCM Cloud for Government solution to get ahead of competitors in the government vertical.

Source: Frost & Sullivan

Microsoft

FROST RADAR™ LOCATION

- Over the past decade, Microsoft established itself as a significant enterprise communications vendor.
- In line with market trends, Microsoft has pivoted its portfolio development toward cloud services. Microsoft 365, Teams, and Phone System represent key pillars of its enterprise communications strategy.
- The launch of the Direct Routing program is boosting Microsoft Phone System adoption, as it provides customers options with regard to SIP trunk providers and calling plans.
- Microsoft ranks high on Frost Radar™ in terms of both innovation and growth, owing to the vendor's commitment to its cloud services portfolio and evidence of growing traction.

INNOVATION

- Microsoft 365 plans enable businesses to purchase compelling productivity and collaboration apps bundles. The E5 bundle is unmatched in the industry as it comprises email, calendar, meetings, Teams and Phone System, cloud document storage, social business, streaming media, and analytics.
- Tightening focus on frontline workers is another example of Microsoft's innovation. Microsoft delivers access to location-based services, scheduling tools, messaging and presence, file storage and sharing, social business, and workforce management for frontline workers on mobile devices.

GROWTH

- With 75 million daily active users (April 2020), Microsoft Teams is one of the vendor's and the industry's most successful collaboration solutions. Teams is creating pull-through for Microsoft Phone System as businesses appreciate the benefits of a tightly integrated collaboration suite.
- Direct Routing is expanding Microsoft's reach among businesses with existing connectivity contracts, those that can secure more competitive calling plans than Microsoft's, and in areas where Microsoft Calling Plans are unavailable.
- COVID-19 amplified awareness of cloud services benefits for remote work, telehealth and distance learning, as a result of which Microsoft cloud services are seeing faster growth.

FROST PERSPECTIVE

- Microsoft Teams and Phone System will experience accelerated growth driven by increasing demand for remote collaboration tools and availability of more flexible deployment options (e.g., via Direct Routing).
- Microsoft is expected to further enhance Phone System and Teams features to more effectively compete against best-of-breed collaboration solution providers.
- Microsoft has gained a first-mover advantage in the untapped frontline worker segment, which provides new growth opportunities.
- The highly extensible Teams platform enables Microsoft to support a broad range of integrations with third-party solutions, which boosts the vendor's value proposition in cloud services.

Source: Frost & Sullivan

FROST RADAR™ LOCATION

- Well known for its compelling premises-based solutions portfolio, Mitel has become one of the largest platform and services providers in the cloud communications space.
- Organic growth and complementary M&A have catapulted Mitel to one of the top positions in the North American hosted IP telephony and UCaaS market in terms of both installed users and revenues.
- The main tenets of Mitel's UCaaS growth strategy and key success factors include its diverse architectural options, strong focus on innovation, channel expansion, and the ability to deliver complementary premises-based and cloud solutions.

INNOVATION

- Mitel's proprietary technologies enable the company to innovate more rapidly and scale more cost-effectively.
- Different architectures used in MiCloud Connect and Flex provide specific benefits to various types of customers.
- A comprehensive applications suite addresses the needs of a diverse user base. Yet, Mitel's modular solutions allow customers to deploy only the capabilities required today and add others as needs change.
- Mitel Summit complements Mitel's cloud UC and contact center portfolio with off-the-shelf solutions as well as CPaaS capabilities.
- Mitel partners with CCaaS leaders to deliver integrated UCaaS and CCaaS solutions to businesses.

GROWTH

- Since it considerably boosted its market share in the UCaaS market through the ShoreTel acquisition, Mitel has experienced steady organic growth.
- Mitel is in the process of transforming its organization and portfolio to better align with a cloud-centric future. Shifting to private ownership enables Mitel to more comfortably pursue long-term objectives without worrying about short-term gains.
- Based on Mitel and ShoreTel technologies and strong performance track record, Mitel cloud solutions can meet the needs of the entire customer spectrum, including the most demanding ones. This allows Mitel to capture demand across customer segments.

FROST PERSPECTIVE

- Mitel must continue its international expansion to tap into new markets and better support MNCs.
- It must expand its white-label and wholesale partnerships to better leverage partner brands and relationships.
- Mitel must promote its hybrid capabilities among businesses with existing Mitel and ShoreTel technology, as well as among larger organizations with complex requirements.
- Mitel must continue to enhance its UCaaS offerings to compete effectively against nimble and/or more diversified technology developers and telcos. It must also focus on cross-selling team collaboration and conferencing across its customer base.

Source: Frost & Sullivan

Momentum Telecom

FROST RADAR™ LOCATION

- Through organic growth and complementary M&A, Momentum Telecom has become one of North America's leading hosted IP telephony and UCaaS providers.
- Leverage of industry-leading technologies enables Momentum Telecom to deliver feature-rich, reliable, and scalable cloud communications solutions. Recent acquisitions boosted the provider's fiber networking and SD-WAN capabilities.
- Long track record in delivering next-generation services and strong financial performance favor Momentum Telecom solutions among competitors.

INNOVATION

- Momentum Telecom has enhanced its UCaaS offering based on a Cisco/BroadSoft with a proprietary mobile application and a Realtime Provisioning Explorer (RPX), an advanced web portal for service provisioning, user account and device management, analytics, third-party software integration, and more.
- Flexible feature bundles and a-la-carte options allow businesses to select the right features for their users.
- Strong focus on custom solution design, white-glove implementation, onboarding, training and lifecycle management facilitates a superior customer experience.

GROWTH

- Retail and wholesale business models allow Momentum Telecom to scale and reach a broad customer spectrum across geographies and businesses sizes.
- Expanded fiber networking capabilities create pull-through sales opportunities for UCaaS as just another application on the network.
- Over the past couple of years, Momentum Telecom has made a concerted effort to move upmarket which has helped it improve solution selling with comprehensive services bundles (SD WAN, fiber broadband), create stickier relationships, and drive up ARPU.

FROST PERSPECTIVE

- Momentum Telecom can leverage its broader solutions portfolio including hosted Microsoft Exchange and Skype for Business, SIP trunking, and connectivity services to position as a one-stop shop for businesses.
- It can promote cloud PBX integration with Microsoft Teams and 365, CRM, and business applications to create stickier relationships.
- Momentum Telecom must continue to expand into larger businesses to reduce churn and sell more services to UCaaS customers.
- Momentum Telecom can leverage voicemail transcription and access services, as well as status as a licensed mobility provider for Microsoft 365, to differentiate and thrive.

Source: Frost & Sullivan

NetFortris

FROST RADAR™ LOCATION

- Originally founded under the Telekenex brand, NetFortris was among the pioneers in the North American hosted IP telephony market with services based on BroadSoft and GENBAND (Ribbon Communications) platforms.
- In 2016, NetFortris acquired Fonality, one of the top 10 UCaaS providers in North America at the time, with the aim to augment NetFortris' market presence by adding Fonality's large installed base, as well as enhance its capabilities with a proprietary platform.
- In 2020, NetFortris launched the modern Comm-unity UCaaS platform, which provides superior scalability and flexibility compared to the legacy UCaaS solutions in NetFortris' portfolio.

INNOVATION

- NetFortris's proprietary, Asterisk-based technologies and new containerized platform enable the provider to innovate more rapidly and cost-effectively and to more promptly address evolving customer needs.
- NetFortris' private, public and hybrid deployment models can effectively address unique customer preferences.
- Compelling desktop and mobile user experiences, an advanced admin portal, and an integrated voice-only contact center represent key benefits of Comm-unity.
- NetFortris' broad solutions portfolio, including several UCaaS options, connectivity, security, SD WAN, MPLS, and analytics provides customers with the benefits of a single-source provider.

GROWTH

- NetFortris experienced slight installed base attrition in the past couple of years due to company restructuring and portfolio revamping.
- NetFortris' new Comm-unity platform flexibly supports businesses of all sizes, as well as international deployments, which will enable NetFortris to accelerate growth.
- An increased focus on channel sales is likely to boost growth in future.
- NetFortris' channel approach enables customers to partner with trusted local resellers and receive more personalized support.
- NetFortris' international expansion efforts, beyond US borders, are considered vital to reaching its growth potential.

FROST PERSPECTIVE

- NetFortris can differentiate from most UCaaS providers through advanced security, MPLS and SD WAN, vertical solutions, and aggregated billing and management.
- It must continue to enhance the feature set and user experience by adding native video calling and video conferencing, team collaboration, multi-channel contact center, and integrations with popular third-party software.
- NetFortris can expand customer reach through strategic partnerships.
- It must continue to provide strong incentives for the channel to promote NetFortris solutions.

Source: Frost & Sullivan

Nextiva

FROST RADAR™ LOCATION

- Nextiva's mission is to empower organizations to manage their productivity, communications and customer relationships on a truly unified platform.
- Nextiva offers an integrated suite of services leveraging NextOS, a single platform enabling seamless communication through any customer engagement channel.
- Nextiva's services portfolio comprises voice, team collaboration, video, CRM, call center, analytics, live chat, surveys, mobile application, and fax.
- Nextiva's success can be attributed to its business agility and laser focus on customer value.

INNOVATION

- Nextiva's flagship multitenant UCaaS solution provides telephony, conferencing and collaboration (e.g., screen and file sharing), recording, chat, presence, and unified messaging.
- Nextiva differentiates its UCaaS offering through NextOS applications such as multichannel customer support software, CRM, chat, online survey software, email marketing software, analytics, AI and automation, cloud storage, and backup solutions.
- With NextOS, Nextiva has become a viable one-stop shop for businesses looking to improve their own customer experience metrics.

GROWTH

- Nextiva has consistently surpassed average industry growth rates over the past decade, as a result of which it has earned a position among the top North American UCaaS providers.
- High growth rates have enabled Nextiva to invest in continued technology development.
- Nextiva was quick to respond to customer challenges due to COVID-19 quarantines and the rise in remote work with new service bundles and capabilities (e.g., video, team collaboration, HIPAA).
- Continually expanding feature set, compelling packaging and pricing, and a highly entrepreneurial culture will drive robust growth rates for Nextiva in the future.

FROST PERSPECTIVE

- Expanding geographic reach as well as continued growth in enterprise remain Nextiva's main growth opportunities.
- Nextiva can further leverage channel partnerships to expand customer reach and better serve customers.
- It must enable more extensive integrations with third-party applications to more effectively enhance customers' specific business processes.
- It can penetrate the existing customer base of users with new features and services to increase ARPU.
- Nextiva can further specialize into vertical markets where integrated cloud communication and customer experience products enable synergies that produce customer value.

Source: Frost & Sullivan

FROST RADAR™ LOCATION

- Over the last year NWN has focused its portfolio into five integrated offerings that optimize customers' business communications experiences including: Unified Communications, Contact Center, Security, Devices, and Advanced Technology Solutions: (Wired/Wireless/Data Connectivity). NWN delivers Unified Communications as a bundled solution as a service that combines best-of-breed OEM components with integrated connectivity, security, and adoption services powered by NWN's Experience Management Platform (EMP) and SLAs.
- NWN offers both single-tenant and multi-tenant cloud calling solutions which enables customers to meet important communications requirements such as integrations and survivability.

INNOVATION

- NWN launched its Experience Management Platform this year which enables self-service and visibility of the entire UCaaS technology stack from the network to the end-user devices and applications.
- NWN provides industry-leading SLAs through EMP which monitors integrated network solutions into NWN's UCaaS offering.
- EMP also allows customers to easily integrate NWN's other core offerings such as security and Contact Center with its UCaaS solutions.
- NWN offers a broad communications portfolio with flexible delivery models. That helps address a large variety of customers, as well as provide a one-stop shop to businesses with more complex needs.

GROWTH

- NWN has grown organically and through acquisitions to become a leading technology solutions provider in the US with over 1,400 customers across the public and private sectors.
- NWN holds a large market share in terms of UCaaS users and the company's share of market has grown as enterprises, which account for most of NWN's deployments, accelerate adoption of cloud calling solutions.
- A diversified offering portfolio spanning devices, connectivity, security, and contact center in addition to UCaaS ensures company stability and is likely to boost future growth for NWN.
- NWN's strategic investment in a SLED sales team has landed additional state telecom contracts in bids against traditional carriers.

FROST PERSPECTIVE

- NWN must continue to grow traction in the public sector and further refine offerings for education and government clients, which have become more receptive to cloud services since the onset of the pandemic.
- It must leverage flexible cloud delivery models such as single-tenant and multi-tenant to provide more options to businesses.
- NWN must seek to expand its customer reach through channel partners.
- NWN can leverage its cloud contact center solution as a differentiator and a compelling benefit for businesses looking to migrate both communications and customer care to the cloud.
- NWN must expand internationally to scale.

Source: Frost & Sullivan

Ooma

FROST RADAR™ LOCATION

- Through organic growth and strategic M&A, Ooma has branched out from its original consumer VoIP focus and quickly earned a top spot in the North American hosted IP telephony and UCaaS market.
- Presently Ooma reports over 1 million core users and over 2 million total users across its residential and business VoIP services, which is strong evidence of Ooma's effective strategy and execution.
- Ooma distinguishes itself from other UCaaS providers by offering a complete "office in a box" solution that incorporates telephony, collaboration, and connectivity services in an easy-to-consume model for small and mid-sized businesses.

INNOVATION

- Ooma offers two tiers of UCaaS services: Ooma Office is a simple but feature-rich UCaaS offering for SMBs, while Ooma Enterprise offers deeper customization and integration for enterprises.
- Ooma's innovation focus is on removing the complexity of purchasing and using its products, and developing highly complementary services to round out a complete business portfolio.
- Ooma Connect provides SD-WAN optimization and wireless LTE backup for UCaaS/voice traffic.
- Ooma Managed Wi-Fi simplifies office Wi-Fi deployments, enables guest access for customers and optimizes the network for Ooma Office mobile apps and wireless desk phones.

GROWTH

- Ooma reports nearly 50% year-over-year UCaaS growth rates for each of the last five quarters, which is impressive in the maturing North American market.
- Ooma experienced strong demand during the COVID-19 quarantines and, with its economical and easy-to-use consumer and business solutions, is particularly well positioned to capitalize on the rise in remote work.
- Ooma's brand recognition in the consumer VoIP market will carry some weight with SMB decision makers.
- Differentiated connectivity solutions and tiered UCaaS offerings will allow Ooma to effectively serve a broad customer spectrum.
- Going forward, Ooma expects significant pull-through across its SMB connectivity and communications offerings.

FROST PERSPECTIVE

- Ooma needs to double down on its efforts to increase company and solution brand recognition in the business VoIP space.
- Ooma is now very well positioned to offer attractive bundled pricing and delivery for a complete office or branch "in a box" solution, and should lean hard into that approach.
- Having a mix of device as a service (DaaS) and upfront device purchasing options gives customers choices, and should be compelling to mid-market and small enterprise customers upmarket.
- Ooma must continue to enhance its solutions (e.g., via video meetings, team spaces, multi-channel contact center) to address broader and continually evolving customer needs.

Source: Frost & Sullivan

RingCentral

FROST RADAR™ LOCATION

- RingCentral has established itself as the leader in the North American hosted IP telephony and UCaaS market and is actively pursuing international expansion.
- RingCentral's strategy and continued product development are centered on mobile workers and distributed organizations. This enables RingCentral to effectively cater to the growing number of remote and mobile workers due to COVID-19, economic globalization, user mobility, and other trends.
- With a robust and constantly evolving UCaaS portfolio and market-leading growth rates, RingCentral ranks high on both the innovation and growth axes on Frost Radar™.

INNOVATION

- The company's flagship RingCentral Office service is an advanced solution, offering an enterprise-grade phone system with a broad set of UC features.
- A collaborative user experience, SMS, analytics tools, video and web conferencing, and webinar services—competitively packaged and priced—set RingCentral solutions apart from most competitors.
- Flexible cloud technology and a proprietary platform enable rapid innovation and cost-effective scalability.
- Innovation is also evident in RingCentral's open platform and its broad set of APIs, which enable businesses to more directly impact business processes.

GROWTH

- RingCentral's growth in the North American market is likely to notably accelerate owing to creative partnerships with Alcatel-Lucent Enterprise, Atos, AT&T, Avaya and TELUS, among other partners, and highly effective direct sales.
- RingCentral's unwavering commitment to innovation and comprehensive, yet tiered service bundles are likely to help attract a diverse customer audience.
- Expanding capabilities and focus on mid-market and enterprise customers are likely to help reduce churn.
- Global Office solution will enable RingCentral to effectively support multi-national businesses with North American operations regardless of their domicile.

FROST PERSPECTIVE

- RingCentral can leverage RingCentral Persist, a differentiated capability, which enables businesses to retain communications services in the case of an Internet failure, to boost its appeal among more risk-averse buyers.
- RingCentral must continue to expand internationally, as well as into the mid-market and enterprise customer segments to tap into a larger addressable market and compete more effectively against global competitors.
- RingCentral Cloud PBX (Direct Routing) for Microsoft Teams will enable RingCentral to expand its reach among businesses looking for robust voice capabilities behind the Teams user experience.

Source: Frost & Sullivan

Star2Star

FROST RADAR™ LOCATION

- Star2Star offers two complementary solutions— Business Voice (pure cloud) and Business Voice+ (hybrid)— to match different customer preferences. Business Voice+ differentiates from other UCaaS solutions through its unique cloud architecture, combining a premises-based call routing and switching device with cloud solution management and a range of cloud-based applications.
- In addition to its unique dual approach to cloud services deployment, Star2Star also differentiates with its partner-centric approach. Reseller and wholesale models enable VARs, MSPs and other resellers to capitalize on the considerable growth opportunities in the cloud services market.

INNOVATION

- Star2Star’s unique hybrid cloud model represented the provider’s main growth driver until recently, finding particularly strong appeal among businesses with elevated reliability and survivability requirements.
- Aligning with growing customer preference for highly flexible cloud services, Star2Star has now also launched a pure-cloud solution, which is likely to represent the main growth driver going forward.
- Star2Star continually enhances its solutions to deliver ever-greater customer value. Video conferencing, contact center, and CPaaS represent key pillars of the company’s technology development roadmap.

GROWTH

- Star2Star has experienced rapid growth in the past few years and has established itself among the top North America UCaaS providers in terms of installed users.
- Free professional installation, free software updates, and money-back guarantees provide customers with greater convenience and peace of mind, which is driving rapid customer acquisition.
- Built-in disaster recovery capabilities via automatic backup and failover, analog line backup, numerous redundant points of presence, redundant phone carriers and redundant Internet connections ensure greater service reliability, which is a key factor to ensure high customer retention rates.

FROST PERSPECTIVE

- Star2Star must continue to expand internationally to tap into new markets, scale, and better serve multinational businesses.
- To maintain its market share and gain appeal among new customer segments, Star2Star may need to accelerate solution enhancements.
- More specifically, persistent chat/team collaboration (native or through integrations) and multi-channel contact center are likely to enable the provider to more holistically address customer communications and customer-care needs.
- Star2Star can benefit from more actively promoting the value of its differentiated SD-WAN and CPaaS capabilities, which boost cloud services quality and business impact.

Source: Frost & Sullivan

TPx Communications

FROST RADAR™ LOCATION

- Formed through the merger of TelePacific and DSCI, TPx Communications is a leading managed services provider, delivering unified communications, managed IT, and managed connectivity to 25,000 business, not-for-profit, and government customers across the US.
- Owing to the merger of two leading hosted IP telephony providers, TPx Communications greatly improved its position in the North American market.
- A broader solutions portfolio including multiple connectivity options, managed IT, contact center, and SIP trunking services provides a one-stop shop to businesses and positions TPx Communications favorably versus less diversified UCaaS providers.

INNOVATION

- TPx's flagship offering is UCx, a feature-rich hosted IP telephony solution based on Cisco BroadWorks. The company's ability to innovate is somewhat limited by its leverage of a third-party call-control platform. However, TPx is constantly enhancing its solutions portfolio through internal technology development and acquisitions to overcome this limitation.
- TPx has recently added CCaaS to its portfolio, which provides value to businesses looking for a one-stop shop for their communications and customer-care needs.
- Upcoming integration of Cisco Webex with the existing UCx solution will considerably enhance the user experience with advanced collaboration features.

GROWTH

- TPx Communications has maintained a steady growth path over the years.
- One of the main growth drivers for the company has been the ability to deliver hosted voice and SIP trunking services on the same platform and effectively enable hybrid telephony environments.
- Strong focus on custom solution design, white-glove implementation, onboarding, training, and lifecycle management helps deliver a superior customer experience and drives adoption.
- TPx Communications has experienced rising demand for remote-work enablement during the lockdowns; however, it also reports project delays due to economic uncertainty.

FROST PERSPECTIVE

- TPx Communications can capitalize on its broad portfolio to increase ARPU and deliver excellent customer purchase and ownership experiences.
- It must continue to enhance the UCaaS offering to better compete against leading providers.
- It must promote installment billing for desktop phones, switches, routers, and installation/ professional services fees, which enables customer adoption during crises such as COVID-19.
- It must continue to expand internationally to reach new markets and better serve MNCs.
- TPx Communications is well positioned to boost traction with new service bundles delivering mobility, CRM integration, endpoint security, and firewall with QoS over SD-WAN.

Source: Frost & Sullivan

FROST RADAR™ LOCATION

- A pioneer in hosted IP telephony, Verizon ranks among the top five North American hosted IP telephony and UCaaS providers in terms of both installed users and revenue.
- Verizon has considerably evolved its hosted services portfolio over the past decade. Each of its solutions comprises a compelling voice and UC applications suite, conveniently pre-integrated and often bundled with access, local, and long-distance minutes, user portal, and more.
- Over the past few years, Verizon has re-aligned its portfolio to better address evolving customer requirements for greater mobility and a richer collaboration tool set.

INNOVATION

- Verizon One Talk, a highly differentiated mobile-first solution, and VCE appeal to small businesses, mid-market and large enterprise. HCS-based UCaaS enables Verizon to target global, distributed enterprises with unique customization needs. Cisco Webex, including the option to deploy with MPLS integration, is a modern collaboration suite for mid-market and enterprise customers.
- The 2020 acquisition of BlueJeans and the launch of Contact Center Hub add great value to Verizon's cloud collaboration portfolio.
- Verizon also differentiates with tailored professional services, robust network capabilities and leverage of AI and IoT.

GROWTH

- A large geographic footprint allows Verizon to better support MNCs, as well as serve SMBs in new markets.
- Verizon has successfully extended several of its hosted offerings in EMEA, APAC, and LATAM countries.
- Strong SLAs, advanced solution monitoring and management, redundant data centers, detailed service reporting and analytics, and unique Customer Success adoption services ensure superior service performance and an end-to-end customer experience—which helps drive growth and customer satisfaction.
- Direct Routing for Microsoft Teams, as well as potential 5G and mobile office services may expand Verizon's addressable market and boost its value proposition.

FROST PERSPECTIVE

- Delivery of multiple related services—e.g., access lines and Internet access (incl. VoLTE), MPLS, VoIP/ SIP trunking—differentiates Verizon from smaller providers and enables cost-effective service delivery, better quality management, and customer convenience.
- With Verizon 2.0, Verizon's new "horizontal" network approach may deliver significant cost efficiencies, accelerate new product development, and simplify network management and operations.
- Overall, Verizon is well positioned to sustain high growth rates in North America and globally, particularly as it further enhances its offerings and expands into new markets.

Source: Frost & Sullivan

Vonage

FROST RADAR™ LOCATION

- Disciplined M&A and strong organic growth have enabled Vonage to quickly become one of the top hosted IP telephony and UCaaS providers in North America.
- Vonage recognized early that a programmable communications cloud that incorporates UCaaS, CCaaS, and CPaaS could provide greater value to customers and complemented its UCaaS portfolio with CCaaS and CPaaS capabilities via the acquisitions of NewVoiceMedia, Nexmo and TokBox.
- Leveraging the Vonage API platform, Vonage reimaged Vonage Business Communications (VBC) to attain higher levels of scale and flexibility. Vonage has now shifted its innovation and growth focus toward the modern Vonage Communications Platform.

INNOVATION

- Vonage truly reinvented itself under the Vonage Communications Platform strategy to deliver fully programmable solutions across voice, video, SMS, and other types of messaging.
- VBC, based on the microservices-architected cloud-native Vonage Communications Platform, leverages UCaaS and communication APIs, team messaging, and Vonage Integration Suite to seamlessly integrate with mission-critical software to address unique use cases.
- Integrated UCaaS and CCaaS help provide a one-stop shop to businesses.
- VBC SD-WAN service branded SmartWAN improves redundancy, reliability, and uptime across business locations.

GROWTH

- In the first few years since its entry into the business VoIP space, Vonage's UCaaS growth was sustained by several strategically acquired and effectively positioned third-party (BroadSoft/Cisco) and proprietary platforms.
- In the past couple of years, Vonage focused primarily on completing, redesigning, and integrating its solutions portfolio, which slowed execution.
- Going forward, Vonage's success will be determined by its ability to monetize the benefits of the Vonage Communications Platform and deliver holistic solutions combining CPaaS, UCaaS, and CCaaS.
- The Vonage API Platform (based on Nexmo and TokBox) will represent a high-growth product line, as well as enhance the value of UCaaS and CCaaS.

FROST PERSPECTIVE

- Vonage must place greater focus on the reseller channel to expand customer reach and accelerate growth.
- Vonage must continue to expand internationally to scale and better serve multinational businesses.
- It must boost ARPU with CCaaS and other advanced applications (video conferencing, etc.).
- Vonage must continue to leverage CPaaS strength to address specific use cases and deliver differentiated customer value.
- It must continue to promote the benefits of the fully integrated platform based on programmable communications cloud to enable a holistic approach to customer communications transformation needs.

Source: Frost & Sullivan

Windstream

FROST RADAR™ LOCATION

- Windstream Communications is among the largest business voice and data network, communications (SD-WAN, broadband, VoIP, MPLS), cloud, and managed services (virtual servers, managed firewall, cloud-based voice, etc.) providers in the US.
- Windstream's success in next-generation VoIP services has been driven by organic growth and a highly successful M&A strategy, including the 2017 acquisitions of EarthLink and Broadview, which boosted its UCaaS portfolio and broader capabilities.
- Windstream's diversified hosted services portfolio comprises various options that provide the best value for specific customer needs.

INNOVATION

- Windstream's flagship OfficeSuite offering is complemented by UCaaS solutions based on Avaya and Mitel technologies.
- The proprietary OfficeSuite platform enables Windstream to innovate at its own pace. Unlike most telcos, Windstream is less dependent upon third parties for technology development.
- Windstream's custom-designed, fully-managed UCaaS solutions deliver unique value to each customer.
- Windstream ensures superior service security, quality and reliability through MPLS and SD-WAN service delivery, geo-redundant data centers, and strong SLAs.

GROWTH

- Windstream successfully emerged from restructuring as a privately-held company in September 2020. The company reduced its debt by more than \$4 Billion, and now has access to approximately \$2 Billion in new capital to fuel sustainable growth and value creation. In the first six months of 2020, enterprise strategic revenues grew 24% year-over-year. Sales of strategic products and services, including SD-WAN, UCaaS and OfficeSuite UC®, now represent an annualized revenue run-rate of approx. \$334 million. Windstream promptly responded to the rise in remote work in 2020 with free trials and mobility service upgrades, which drove accelerated adoption of its UCaaS solutions.

FROST PERSPECTIVE

- Windstream must continue to enhance its UCaaS solutions with more differentiated capabilities, both natively and through integration with third-party solutions such as Slack, Amazon Alexa, Microsoft Teams, and Google Workspace.
- Windstream must properly position and market different UCaaS offerings for different customer segments.
- It must leverage tiered seat licenses, launched in early 2019, to accommodate different user and extension requirements.
- Windstream can generate additional revenues with differentiated vertical solutions.
- Windstream must expand its UCaaS presence among mid-market and large enterprises.

Source: Frost & Sullivan

Zoom

FROST RADAR™ LOCATION

- Building on its success in the video conferencing space, Zoom launched Zoom Phone—an integrated UCaaS offering—on its robust cloud services platform in 2018.
- Zoom is particularly well positioned to address the needs of businesses seeking to enable a collaborative work environment by leveraging an integrated cloud services suite, which includes cloud PBX, meetings and messaging.
- Nimble and keenly aware of evolving business needs, Zoom has made major strides in the past two years in terms of both UCaaS solution enhancement and market traction. With 400 features and a customer-driven approach to adding new capabilities, Zoom Phone is bound for success.

INNOVATION

- Zoom has garnered a large customer base for its video conferencing solutions by delivering feature-rich, yet simple and intuitive user experiences. It aims to replicate the same concept in Zoom Phone, and capitalize on the benefits of providing users a single pane of glass for a broad range of communication modalities.
- Originally launched with only a basic feature set, Zoom Phone presently offers the features needed for the vast majority of use cases and is quickly catching up on functionality in leading UCaaS solutions.
- Providing customers options with regard to user endpoints, price levels and connectivity services and calling plans Zoom delivers high value to businesses.

GROWTH

- Zoom Phone has seen more rapid growth than any other UCaaS solution in the first two years of its commercial availability and has earned Zoom a spot among the top UCaaS providers in terms of installed users.
- Zoom was the first to acknowledge the need to step up and launch special offerings during the COVID-19 quarantines and rise in remote work, which drive a multi-fold increase in Zoom Meetings and UCaaS installed base in 2020 alone.
- With rapid international expansion, including PSTN connectivity in over 40 countries and territories, increasing channel focus and continued service enhancements, Zoom is poised for continued high growth in the future.

FROST PERSPECTIVE

- Zoom will benefit from further expanding its international presence with Zoom Phone to tap into underpenetrated markets and better serve multi-national companies.
- It must continue to enhance both its UCaaS and Meetings solutions to withstand ever-intensifying competition and address the varying requirements of a broader customer spectrum.
- Zoom must continue to enable integration with popular third-party solutions to address unique user needs and more effectively optimize key workflows.
- Zoom must improve its channel programs to scale its business through partners.
- It can leverage HaaS, DaaS, and RaaS to further enhance customer value.

Source: Frost & Sullivan

Strategic Insights



Strategic Insights

1

The COVID-19 epidemic has accelerated demand for cloud communications services, creating growth opportunities for innovative and nimble providers. With most businesses looking to enable large proportions of their enterprise workers and contact center agents to work from anywhere, cloud services provide flexible, cost-effective access to mission-critical communications and collaboration tools. To emphasize the strategic value of hosted IP telephony and UCaaS solutions they must be positioned as critical business continuity and digital transformation enablers.

2

Provider success in the North American hosted IP telephony and UCaaS markets will be determined by a variety of factors, including the ability to deliver the following capabilities: mobile UCaaS and/or FMC; over-the-top (i.e., over public Internet) services; advanced collaboration (e.g., video conferencing, team spaces); contact center; robust monitoring, management, analytics and reporting tools; financially-backed SLAs, competitively-priced service bundles; flexible APIs and integrations with key third-party solutions; and robust implementation, lifecycle, and customer success services.

3

Provider consolidation via mergers and acquisitions, along with international expansion and strong channel partnerships will reshape the North American competitive landscape and shift power toward nimble competitors with a solid vision, rich portfolios and broad geographic presence. However, provider long-term success will also be determined by service security, reliability, scalability, and extensibility, which impact customer satisfaction and retention.

Source: Frost & Sullivan

**Next Steps:
Leveraging the
Frost Radar™ to
Empower Key
Stakeholders**

Significance of Being on the Frost Radar™

Companies plotted on the Frost Radar™ are the leaders in the industry for growth, innovation, or both. They are instrumental in advancing the industry into the future.

GROWTH POTENTIAL

Your organization has significant future growth potential, which makes it a Company to Action.

BEST PRACTICES

Your organization is well positioned to shape Growth Pipeline™ best practices in your industry.

COMPETITIVE INTENSITY

Your organization is one of the key drivers of competitive intensity in the growth environment.

CUSTOMER VALUE

Your organization has demonstrated the ability to significantly enhance its customer value proposition.

PARTNER POTENTIAL

Your organization is top of mind for customers, investors, value chain partners, and future talent as a significant value provider.

Source: Frost & Sullivan

Frost Radar™ Empowers the CEO's Growth Team

STRATEGIC IMPERATIVE

- Growth is increasingly difficult to achieve.
- Competitive intensity is high.
- More collaboration, teamwork, and focus are needed.
- The growth environment is complex.

LEVERAGING THE FROST RADAR™

- The Growth Team has the tools needed to foster a collaborative environment among the entire management team to drive best practices.
- The Growth Team has a measurement platform to assess future growth potential.
- The Growth Team has the ability to support the CEO with a powerful Growth Pipeline™.

NEXT STEPS

- **Growth Pipeline Audit™**
- **Growth Pipeline as a Service™**
- **Growth Pipeline™ Dialogue with Team Frost**

Source: Frost & Sullivan

Frost Radar™ Empowers Investors

STRATEGIC IMPERATIVE

- Deal flow is low and competition is high.
- Due diligence is hampered by industry complexity.
- Portfolio management is not effective.

LEVERAGING THE FROST RADAR™

- Investors can focus on future growth potential by creating a powerful pipeline of Companies to Action for high-potential investments.
- Investors can perform due diligence that improves accuracy and accelerates the deal process.
- Investors can realize the maximum internal rate of return and ensure long-term success for shareholders
- Investors can continually benchmark performance with best practices for optimal portfolio management.

NEXT STEPS

- **Growth Pipeline™ Dialogue**
- **Opportunity Universe Workshop**
- **Growth Pipeline Audit™ as Mandated Due Diligence**

Source: Frost & Sullivan

Frost Radar™ Empowers Customers

STRATEGIC IMPERATIVE

- Solutions are increasingly complex and have long-term implications.
- Vendor solutions can be confusing.
- Vendor volatility adds to the uncertainty.

LEVERAGING THE FROST RADAR™

- Customers have an analytical framework to benchmark potential vendors and identify partners that will provide powerful, long-term solutions.
- Customers can evaluate the most innovative solutions and understand how different solutions would meet their needs.
- Customers gain a long-term perspective on vendor partnerships.

NEXT STEPS

- **Growth Pipeline™ Dialogue**
- **Growth Pipeline™ Diagnostic**
- **Frost Radar™ Benchmarking System**

Source: Frost & Sullivan

Frost Radar™ Empowers the Board of Directors

STRATEGIC IMPERATIVE

- Growth is increasingly difficult; CEOs require guidance.
- The Growth Environment requires complex navigational skills.
- The customer value chain is changing.

LEVERAGING THE FROST RADAR™

- The Board of Directors has a unique measurement system to ensure oversight of the company's long-term success.
- The Board of Directors has a discussion platform that centers on the driving issues, benchmarks, and best practices that will protect shareholder investment.
- The Board of Directors can ensure skillful mentoring, support, and governance of the CEO to maximize future growth potential.

NEXT STEPS

- **Growth Pipeline Audit™**
- **Growth Pipeline as a Service™**

Source: Frost & Sullivan

Frost Radar™ Analytics



Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

VERTICAL AXIS

Growth Index (GI) is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline™ system; and effective market, competitor, and end-user focused sales and marketing strategies.

GROWTH INDEX ELEMENTS

- **GI1: MARKET SHARE (PREVIOUS 4 YEARS)**
This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.
- **GI2: INSTALLED USER GROWTH (PREVIOUS 4 YEARS)**
This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.
- **GI3: GROWTH PIPELINE™**
This is an evaluation of the strength and leverage of a company's growth pipeline™ system to continuously capture, analyze, and prioritize its universe of growth opportunities.
- **GI4: VISION AND STRATEGY**
This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?
- **GI5: SALES AND MARKETING**
This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Source: Frost & Sullivan

Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

HORIZONTAL AXIS

Innovation Index (II) is a measure of a company's ability to develop products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs.

INNOVATION INDEX ELEMENTS

- **II1: INNOVATION SCALABILITY**
This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.
- **II2: RESEARCH AND DEVELOPMENT**
This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.
- **II3: PRODUCT PORTFOLIO**
This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.
- **II4: MEGA TRENDS LEVERAGE**
This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).
- **II5: CUSTOMER ALIGNMENT**
This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

Source: Frost & Sullivan

Frost Radar™: Benchmarking Future Growth Potential

Companies to Action

COMPANIES TO ACTION

All companies on the Frost Radar™ are Companies to Action. **Best Practice** recipients are the companies that Frost & Sullivan considers the companies to act on now.

GROWTH EXCELLENCE AWARD

The Growth Excellence best practice award is bestowed upon companies achieving high growth in an intensely competitive industry. This includes emerging companies making great strides in market penetration and seasoned incumbents holding on to their perch at the pinnacle of the industry.

INNOVATION EXCELLENCE AWARD

The Innovation Excellence best practice award is bestowed upon companies that are industry leaders outperforming their competitors in this area or new market entrants contending for leadership through heavy investment in R&D and innovation.

GROWTH INNOVATION & LEADERSHIP AWARD

The Growth Innovation Leadership (GIL) best practice award is bestowed upon companies that are market leaders at the forefront of innovation. These companies consolidate or grow their leadership position by continuously innovating and creating new products and solutions that serve the evolving needs of the customer base. These companies are also best positioned to expand the market by strategically broadening their product portfolio.

Source: Frost & Sullivan

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