

INSIGHT

BroadSoft and Salesforce.com Team Up to Mash Up

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IDC OPINION

IDC believes that the chasm between business applications and communications services is beginning to fade. In both enterprise and consumer markets, implementations of VoIP have largely been driven by cost reduction with respect to infrastructure and toll charge reductions. With an ever-increasing number of enterprises adopting IP-based communications systems, the opportunity to integrate business and communications applications represents a revolutionary step in creating a "frictionless" business processes. IDC believes the following:

- ☒ Hosted communications services such as those deployed via the BroadSoft BroadWorks platform are beginning to gain traction in the market and are poised to nibble away at the installed base of IP PBXs. Still, current deployments of hosted VoIP have barely scratched the surface in terms of market potential.
- ☒ In order to increase revenue, service providers will need to move beyond dial tone and communications-centric applications. Survival will depend upon taking the core communications capabilities and integrating them with business applications and services.
- ☒ Efforts such as the one detailed in the BroadSoft-salesforce.com announcement have the potential to bring about an entirely new model for communications. This model will create applications that are infinitely customizable and available on demand.

IN THIS INSIGHT

This IDC Insight discusses the implications of BroadSoft's decision to offer up its BroadWorks capabilities via salesforce.com.

SITUATION OVERVIEW

Since the earliest deployments, naysayers have expected hosted IP communications to suffer the same tepid market reaction as legacy Centrex. We contend that IP communications is not about replicating the PSTN experience, and thus comparisons to products such as Centrex are not only invalid but miss the mark. Delivering standards-based IP communications to enable "by the drink" telephony services and applications follows an ongoing IT industry trend in computing as well as storage. Given the dynamics of IP communications specifically and the notion of the Internet in general, the physical location of a server that delivers an application is of little interest

or value. Although the PBX will continue to be the dominant enterprise deployment model, ignoring the trend away from CPE to cloud-based services is simply short-sighted

At Connections 2007, BroadSoft's annual customer event, BroadSoft announced that it had completed an integration or mashup of its BroadWorks VoIP application platform with the salesforce.com CRM tool. The integration between the two platforms is made possible by BroadSoft's CTI connector allowing subscribers to automatically capture incoming call information and manage customer interactions. Each time an incoming call is received via BroadWorks, a screen pop is triggered that displays that caller's salesforce.com record. The salesforce.com application is delivered to end users via a service provider that has deployed the BroadWorks platform in its network.

For its part, the integration with BroadSoft will create a new opportunity for salesforce.com to market its services to an increasingly sophisticated customer segment that is looking beyond cost savings enabled by IP to creating a competitive advantage from its investing in IP communications. . BroadSoft could gain new service provider customers if it can strengthen the relationship with salesforce.com without posing a threat to the carrier's SMB ambitions.

From a service provider perspective, the BroadSoft-salesforce.com mashup allows carriers to create additional value to help complement their core IP telephony portfolio. Adding the salesforce.com applications will enable a service provider to become more effective at attracting SMB customers and holding off new competitors such as cable MSOs. Although carriers spend a good deal of time marketing their services to small business customers, most if not all of the SMB offerings by services providers are hardly uniquely differentiated only by price. Although strategic pricing will always play a crucial role in winning SMB customers, service value and flexibility plays an increasingly important role in the decision process. Bundles that offer everything but the kitchen sink are often used to demonstrate the price and value of a particular SMB offer. However, these bundles and their cookie-cutter approach miss the mark and do not offer the services SMB customers are looking for. Instead, customers end up paying for services they don't need, negating the both the low-price strategy and the aura of value. Thus, the ability to tailor an offer to a particular customer's needs combined with a low-cost delivery model will play to the advantage of the BroadSoft-salesforce.com alliance.

Service provider moves toward enabling mashups became a reality in 2007, but only for a limited audience. From BT's Web21C SDK to Orange's Partner program and SwissCom's Mobile Labs efforts, SPs are starting to present the concept of enabling mashups. However, the projects to date are subject to corporate pressures and priorities, as indicated by the Sprint LaunchPad effort. In comparison with the BroadSoft-salesforce.com partnership, the SP efforts are still early. The comparison of the BroadSoft-salesforce.com alliance with the activities of leading SPs suggests that independent vendors and perhaps even IT industry players may be the best positioned to lead the market in innovations today.

Voice infrastructure vendors are in an ideal position to exploit the transformation of telecommunications networks. Voice application servers as well as some softswitches

and even some session border controllers are software-driven products built on modern software technologies. The ability to create value through open interfaces and common technology foundations has accelerated the ability of enterprises to leverage internal systems and processes. As the telecommunications infrastructure adopts software-driven solutions for the operational infrastructure, such as voice applications servers, IDC believes that SPs can accelerate their time to market and responsiveness to customer requirements. The BroadSoft-salesforce.com solution is an early example of this.

FUTURE OUTLOOK

The need for increasingly sophisticated voice and data services, both fixed and mobile, will continue to be a strong source of revenue for carriers. However, in order to avoid commoditization, carriers will need to show how their product can give businesses a competitive advantage in their particular industry. This will require bringing together the networking expertise of the carriers with applications that can help businesses solve problems. The BroadSoft-salesforce.com alliance will provide an important first step by taking communications out of its silo and integrating it into the business process.

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