

January, 2008

## **Unified Communications Offers Value To Small And Medium Businesses**

*Global Study Indicates Several Benefits For SMB  
Financial Services Firms (Part 1 of 3)*

A commissioned study conducted by Forrester research on behalf of  
Cisco Systems



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## Executive Summary

Unified communications (UC) provides an intelligent hardware and software platform that links people to people and people to applications, simply, and it reduces delays found in business communications. UC enables organizations to collaborate more effectively by allowing employees to quickly reach co-workers using only a single telephone number or URL across multiple devices. It integrates telephone features with employees' desktops to allow a worker to identify the availability of co-workers and simply point and click on their PC to reach them via telephone, cell phone, PC, or other communication devices. Additionally, employees can launch ad hoc conference sessions — audio, Web, or video — easily from their desktop and know their co-workers' availability beforehand by seeing their status or presence indicator on their PC. While UC increases worker productivity and reduces communication blocks, it also improves existing business processes such as sales support, problem resolution, and access to experts.

To quantify how UC affects the small and medium-size business (SMB) sector, Forrester Consulting surveyed 374 organizations with 125 employees or less and no more than seven locations to determine the significance of UC in this market segment. Business and technology decision-makers in six countries participated in this survey, including the US (34%), France (16%), the UK (19%), Italy (13%), and Australia (18%). The survey included organizations from manufacturing, financial services, and professional services firms. This document focuses only on the financial services segment. See parts two and three for detailed findings on the manufacturing and professional services firms.

The overall survey asked participants how certain UC capabilities would affect their operations but were not given the name of any specific product or company. The following section describes the key findings across the three different vertical markets. Although there were some differences by country and industry, the survey confirmed that:

- SMBs are increasingly challenged to respond quickly to customers, manage rising costs, and attract qualified workers.
- UC enables smaller companies to communicate more effectively and improve core business processes, resulting in greater operational efficiency.
- The study reveals that with unified communications, SMBs could improve responsiveness to customers, decrease time to resolve problems, speed approval processes, and better support mobile workers.

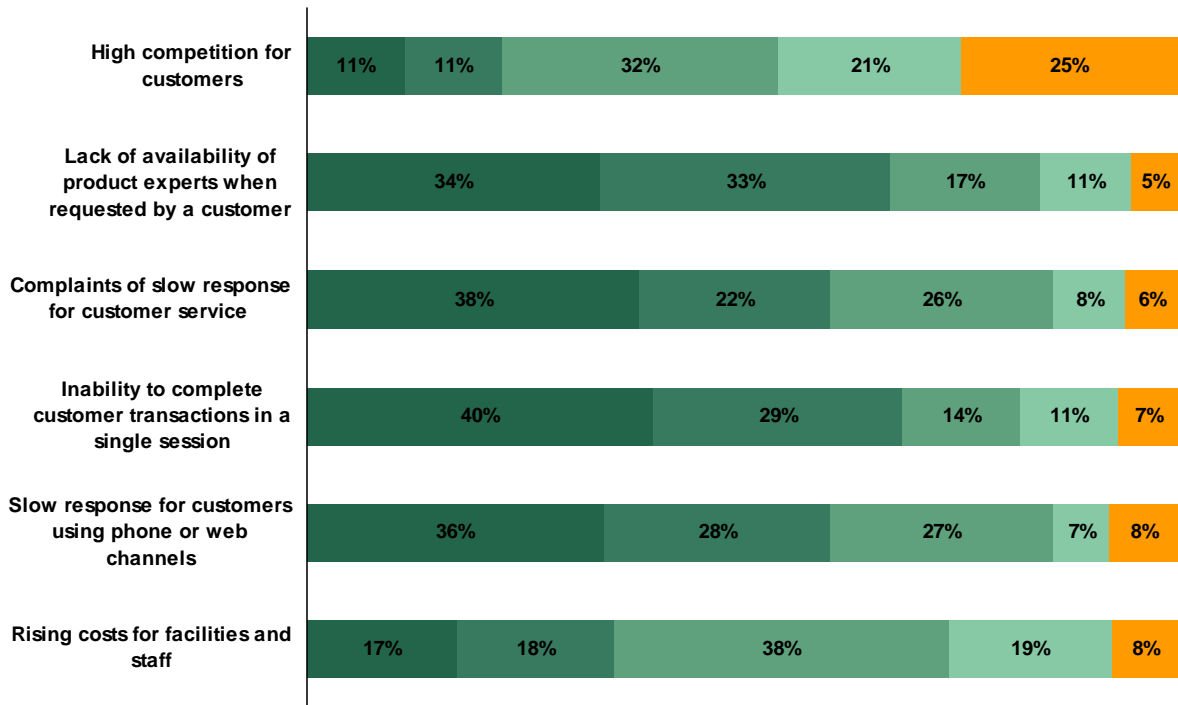
Although there are several benefits among those surveyed, there are also some differences about how each industry benefits from UC. For example, travel costs were not a major perceived value by manufacturers but very important for financial services and professional services respondents. Financial services respondents generally found more value in reaching key managers across multiple devices using a single telephone number. Across all of the categories we surveyed, professional services (PS) respondents found the most consistent business value out of UC.

## Financial Services Business Challenges

Smaller financial services (FS) organizations include credit unions, regional banks, savings and loan companies, and credit institutions. These organizations face many challenges in customer retention and sales revenue from SMB and larger financial institutions. Typical concerns of FS organizations include:

- **High competition for customers.** Today's customers are demanding, and retaining customer loyalty is challenging for FS organizations whose customers receive many other solutions for their business.
- **Lack of available product experts.** Providing responsive customer service often includes the advice from subject matter experts (SMEs) to support more complex customer interactions. When SME response is delayed, it affects customer satisfaction and may prolong sales proposal processes.
- **Customer complaints for slow response.** Peak banking times challenge FS organizations and often cause customers to experience long wait times for branch or telephone services. FS organizations look for better ways to support these peak times without the addition of headcount.
- **Inability to complete customer transactions in a single session.** FS organizations often do not have available resources or information to complete a customer transaction within a single session. This results in higher transaction costs due to iterative communications between the FS organization and the customer to complete transactions.
- **Slow response to customers using alternative channels.** FS organizations encourage customers to use their Web sites or telephone channels instead of making an in-person visit, but they often fail to provide adequate service levels for these alternative channels.
- **Rising costs for facilities and staff.** To reduce costs and extend support, FS organizations look for better ways to operate more effectively without increasing staff and incurring additional costs. To contain costs, banks must evaluate new ways to increase employee productivity.

Figure 1: Please rate the level of challenge for your organization on a scale of 1 to 5, where 1 is not a challenge at all and 5 is a significant challenge.



■ 1 - Not a challenge at all ■ 2 ■ 3 ■ 4 ■ 5- Significant challenge

Base: 133 financial service professionals

\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

## Key Findings From The Survey

The survey provided senior managers with a description of UC capabilities across several business areas and asked them how these capabilities would affect their current business processes.<sup>1</sup> Key findings from this global survey for financial firms include:

- 73% save time with the ability to reach decision-makers using a single number.
- 81% improve efficiencies in reducing delays in reaching decision-makers.
- 69% improve customer support with the ability for managers to collaborate in real time with peers.
- 68% benefit by training personnel on new products via Web and videoconferencing.
- 73% lower training costs by offering video desktop training.
- 67% save time by improving internal communications for projects or customer applications.
- 69% would generate more revenue if online customers could collaborate with experts.

- 62% of mobile employees could respond faster with advanced business features on their mobile device.

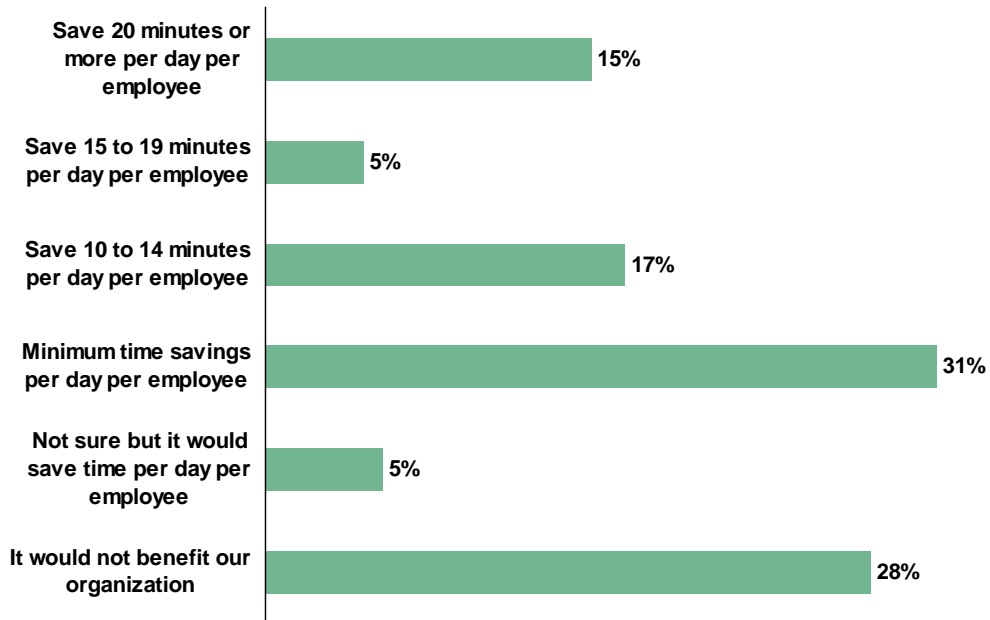
## UC Improves Access To Key Decision-Makers And Experts

Project teams need to gain approvals from senior managers prior to moving forward with projects or programs. Due to the unavailability of decision-makers, there is often lag time for workers to get required approvals. UC-enabled managers have the option to decide who can reach them for contact during critical milestones and can choose to receive a call or message across any device from any location. Managers can determine what gets through, and they can send less urgent matters to their email or voicemail. Reaching key decision-makers for time-sensitive issues reduces project delays typical of existing communication methods.

### *Timely Response From Decision-Makers Saves Time For FS Organizations*

Survey respondents were asked if they had the ability to locate key managers across multiple devices (telephone, email, instant messaging, cell phones) and how much time this would save them. Seventy-three percent indicated that it would save time with estimates ranging from a few minutes to more than 20 minutes per day.

**Figure 2: If your employees who attempt to locate key managers across multiple devices had the ability to reach them using a single telephone number, how much time would this save?**



Base: 133 financial service professionals

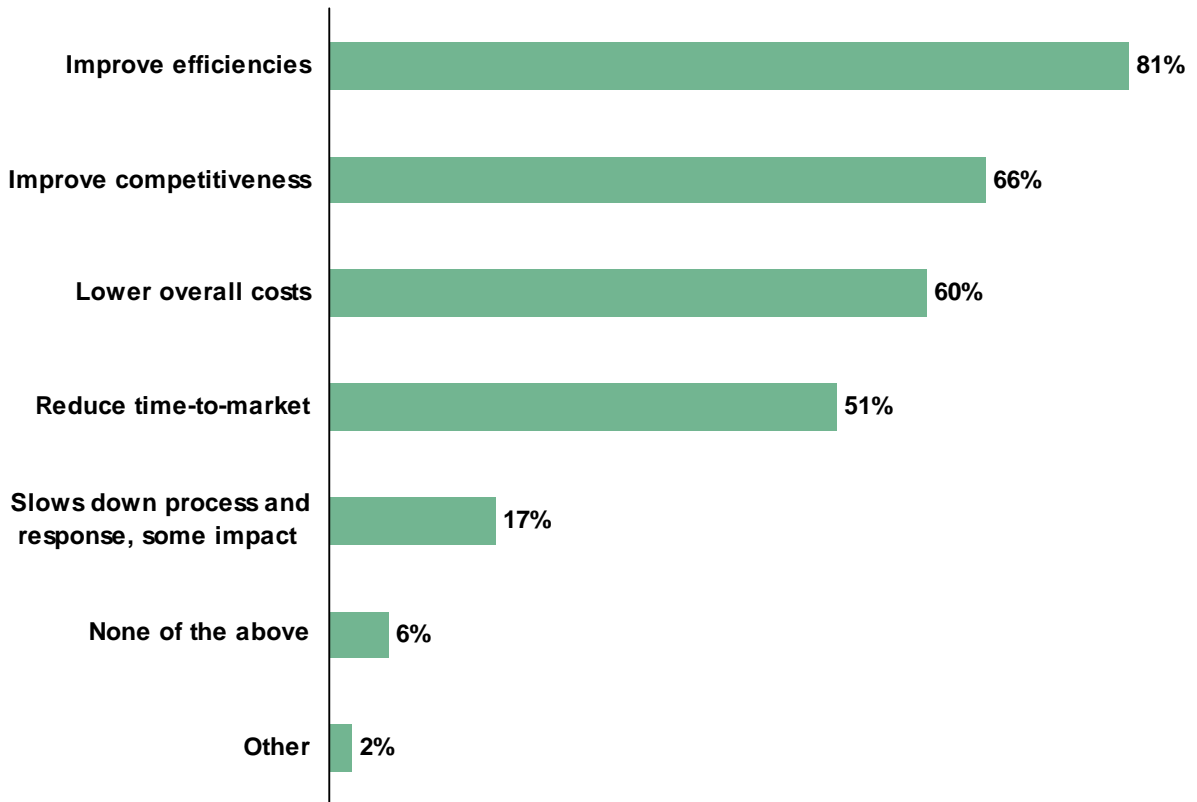
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

### *81% Improve Efficiencies By Reducing Delays In Reaching Decision-Makers*

FS respondents indicated several benefits in their ability to reach DMs more quickly. Key advantages include the following: improve efficiencies (81%), improve competitiveness (66%), and lower overall costs (60%).

Figure 3: What are the business benefits of reducing these delays in the sales and marketing process? Select all that apply.



Base: 133 financial service professionals

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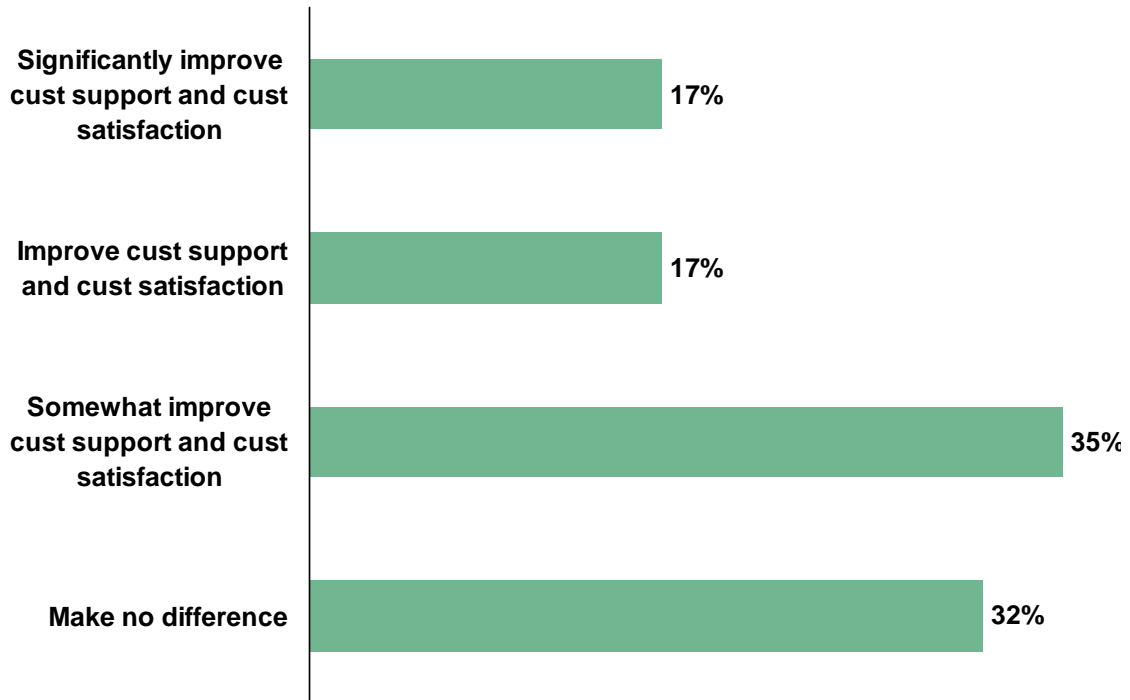
### Conferencing And Collaboration Support Business Efforts

UC allows employees to quickly launch a conference session from their desktop by just a point and click on the conference features to establish audio-, Web-, or videoconference sessions. Simplifying the user interface to establish conference sessions reduces a company’s reliance on external conferencing services and also promotes more team collaboration.

#### *Peer Collaboration Improves Customer Support For 69% Of FS Respondents*

Respondents indicated that the ability for managers to easily conference and collaborate with peers to discuss issues improves customer support. Overall, 69% reported an improvement in customer support and satisfaction with better conferencing capability.

**Figure 4: If managers could collaborate in real time with peers to discuss issues and share best practices, how would this affect the organization's performance?**



Base: 133 financial service professionals

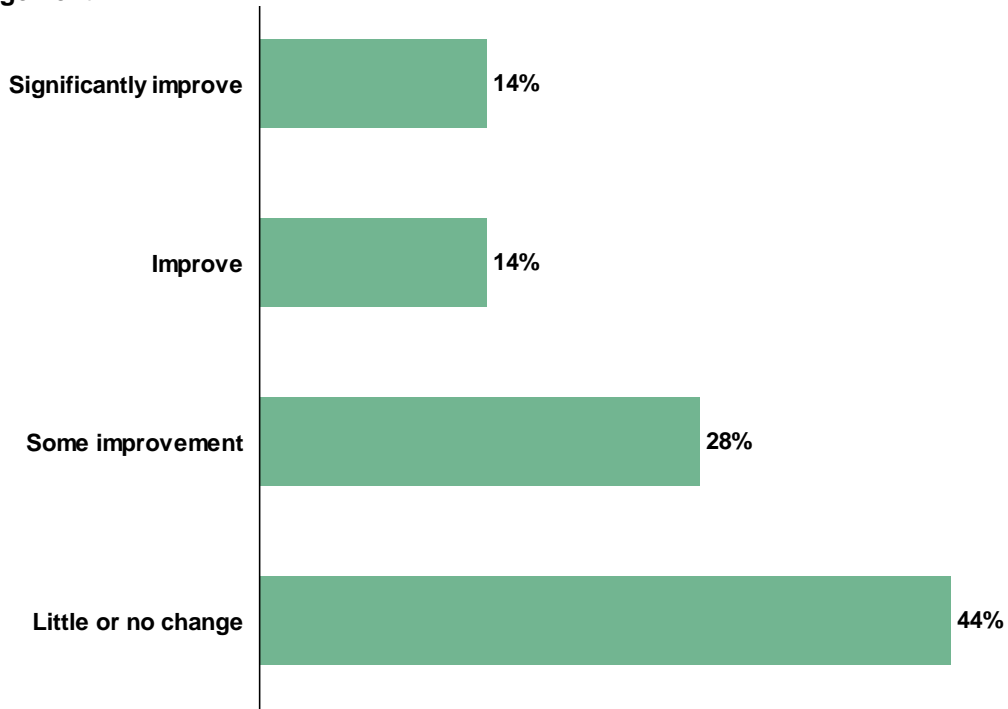
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

*Automatic Updates On Manager's Status Improves Team's Ability To Collaborate*

Workers often try to reach a manager who is away from the office by attempting to track them across several devices. This often results in multiple messages but no actual contact. The ability to know a traveling manager's availability is a positive benefit for 56% of respondents who suggested that this capability would improve their team's collaboration and project management.

**Figure 5: If a key manager's status was automatically updated when they traveled or were out of the office, what effect would this have on team collaboration and account management?**



Base: 133 financial service professionals

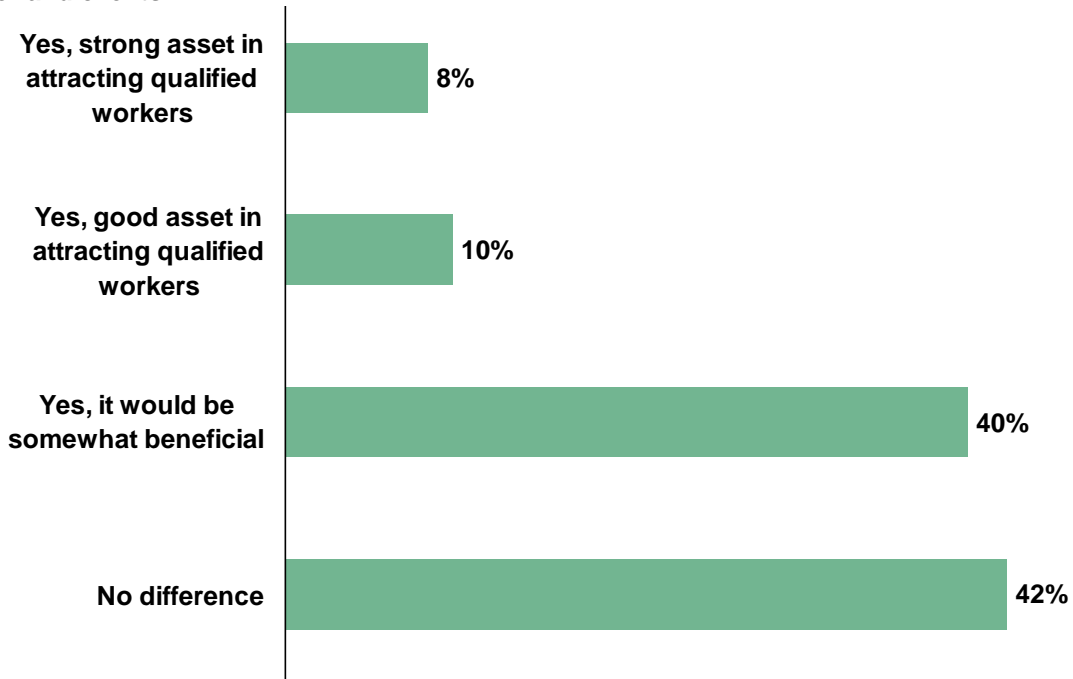
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

*Improved Communications Also Improves Environment For Workers*

Providing employees with tools that make their jobs easier helps to attract and retain more qualified employees. Improved communications would benefit 58% of respondents in attracting qualified workers to their organization.

Figure 6: Do you feel that you would have the ability to attract and retain more qualified employees and managers if they had the ability to communicate more effectively with each other and clients?



Base: 133 financial service professionals

\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

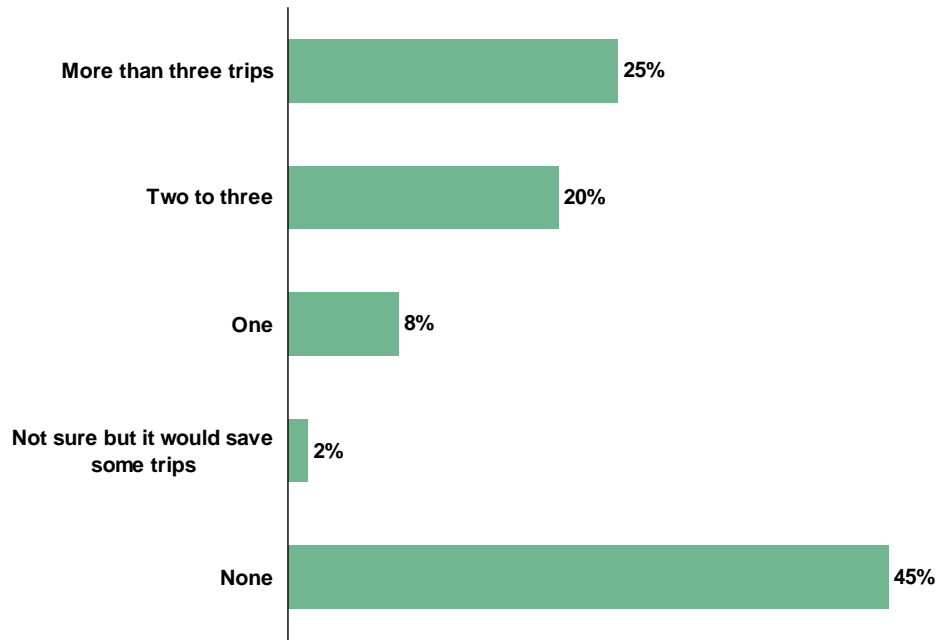
## Travel And Training Expenses Offset By UC

UC reduces the number of trips required for internal meetings by providing distant workers better access to video and Web conferencing applications. Workers will travel less often for internal meetings when they can easily launch conference sessions and participate in interactive meetings and training from their current location.

### *Advanced Video And Web Conferencing Reduces Travel For Remote Managers*

Remote managers often travel for internal meetings throughout the year. With the ability to conference from any location and engage in collaborative online work sessions, 53% of respondents estimated that this capability would save one or more trips per year per traveling manager. This represents a substantial cost reduction for travel expenses across an organization.

**Figure 7: If remote managers had easier access to video and advanced Web conferencing capabilities, how many trips for internal business meetings could be eliminated per year?**



Base: 133 financial service professionals

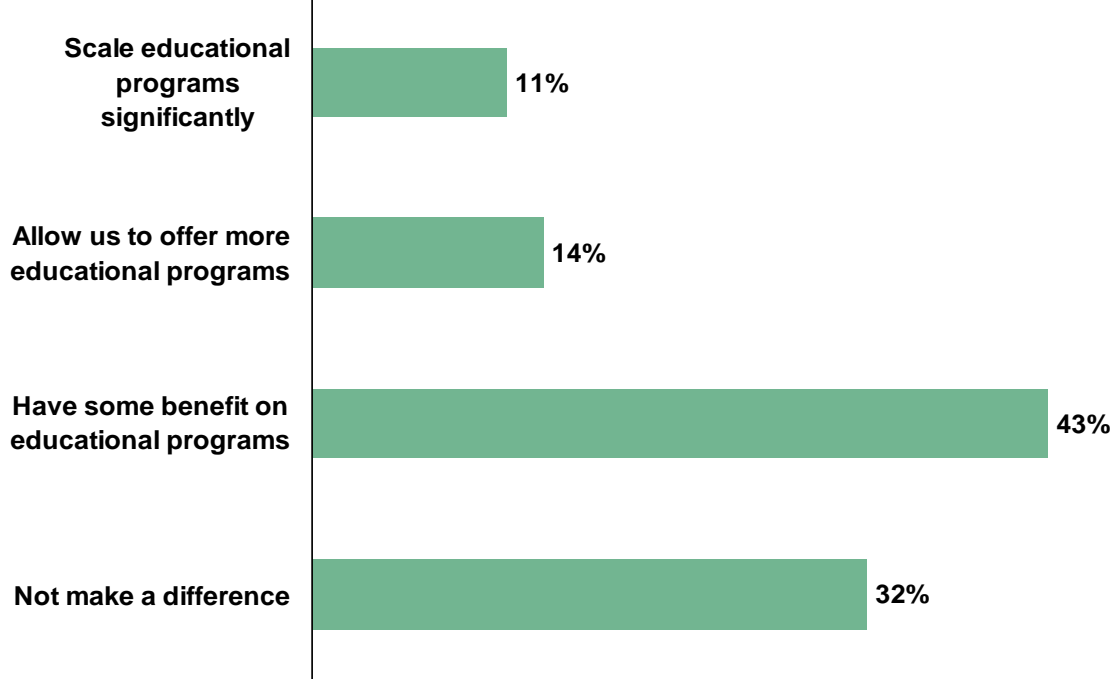
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

### *68% Benefit From Remote Desktop Training For Educational Programs*

Financial services organizations realize the importance of educating their workforce on a regular basis about new products and services. Offering training courses at convenient times from the employee's desktop reduces training costs and makes training more cost-effective. When asked the effect of training personnel via Web conferencing and video, 68% of respondents indicated that it would have a positive benefit on the number of educational programs offered.

**Figure 8: If you could train personnel on new products or services via Web conferencing and video, how would this affect educational program offerings?**



Base: 133 financial service professionals

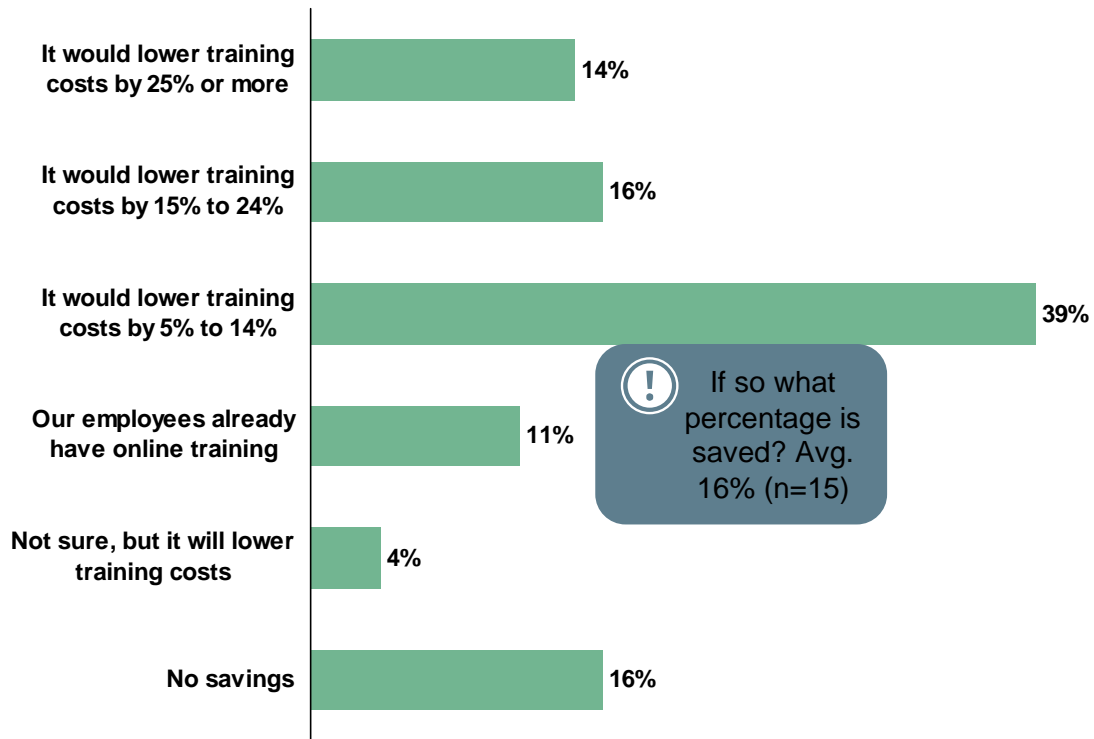
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

***Desktop Training Lowers Training Costs For 73% Of FS Organizations***

Training incurs travel costs, facility costs, room set up, instructor fees, and employee back-up support. While training is considered a necessary cost of business, 73% of organizations find that effective Web and video training will lower these expenses. Sixty-nine percent of respondents suggest that it will decrease costs by 5% or more.

**Figure 9: If your bank could offer video training on desktop PCs rather than traveling for classes, how would this capability affect your training costs?**



Base: 133 financial service professionals

\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

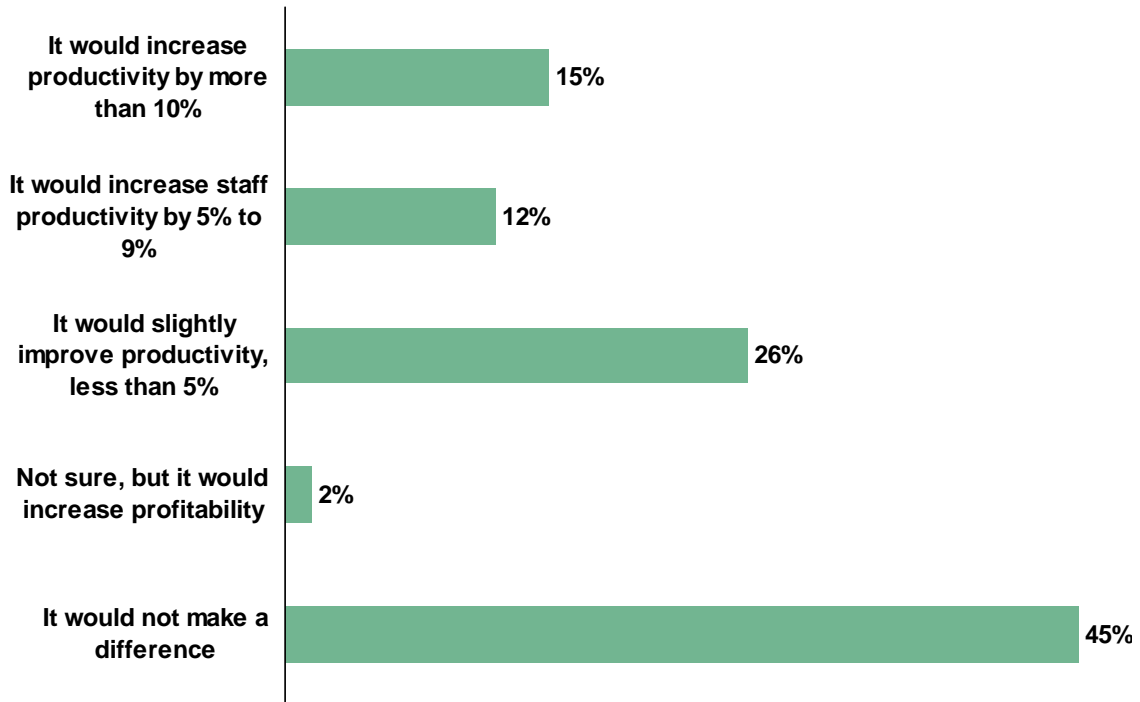
## UC Improves Sales Processes And Customer Satisfaction

UC enables companies to respond more quickly to their customers and prospects. Customers benefit by having their FS organization react promptly to their requests and deliver proposals in less time. Real-time collaboration allows customers to interact more effectively with sales teams and supports higher sales revenues.

### *UC Extends Staff Support For Call Centers To Reduce Peak-Hour Delays*

FS organizations responded positively to the concept of sharing support staff to offset peak call times. Fifty-five percent of respondents indicated that it would increase employee productivity. UC enables organizations to direct qualified employees to support call center customers during high-traffic times. This results in greater employee productivity while also improving customer support.

**Figure 10: If an institution could share its own customer staff to support the call centers during peak call times, how would this change the overall productivity of employees?**



Base: 133 financial service professionals

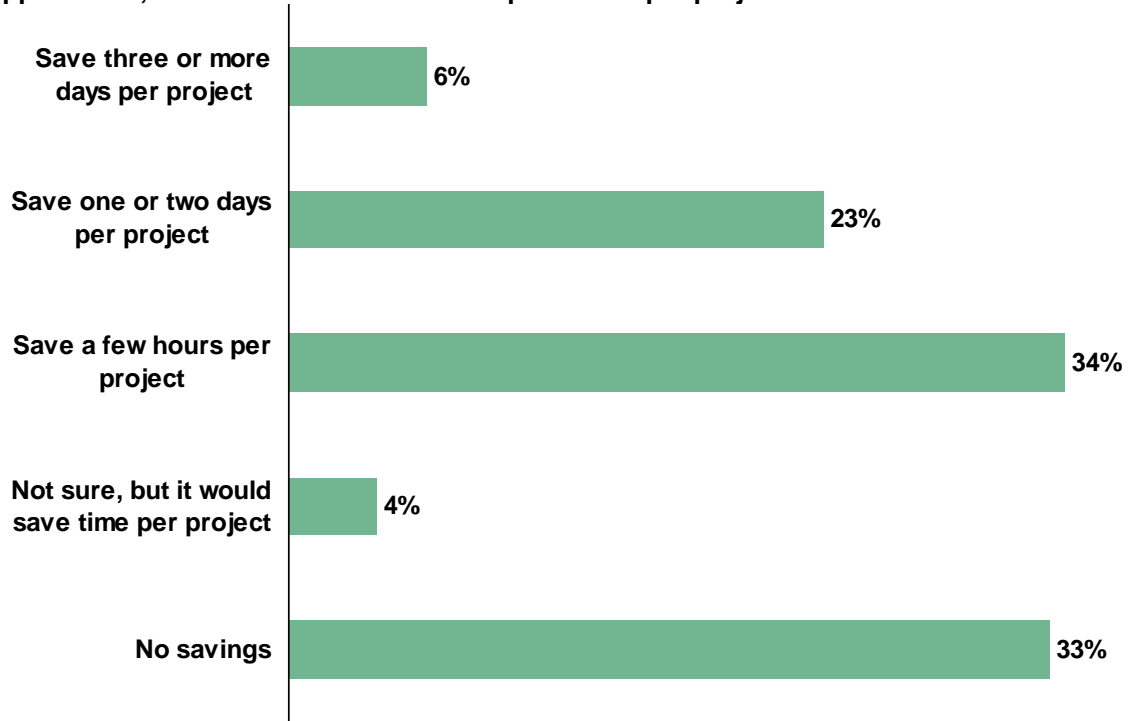
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

### *Real-Time Collaboration Reduces Project Time For 67% Of FS*

Real-time collaboration enables conference participants to view and edit documents simultaneously during a teleconference. According to 67% of respondents, this capability improves project time by several hours to several days per project compared with sending emails back and forth to review and document.

Figure 11: If you could improve internal communications for projects or customer applications, how would this affect the required time per project?



Base: 133 financial service professionals

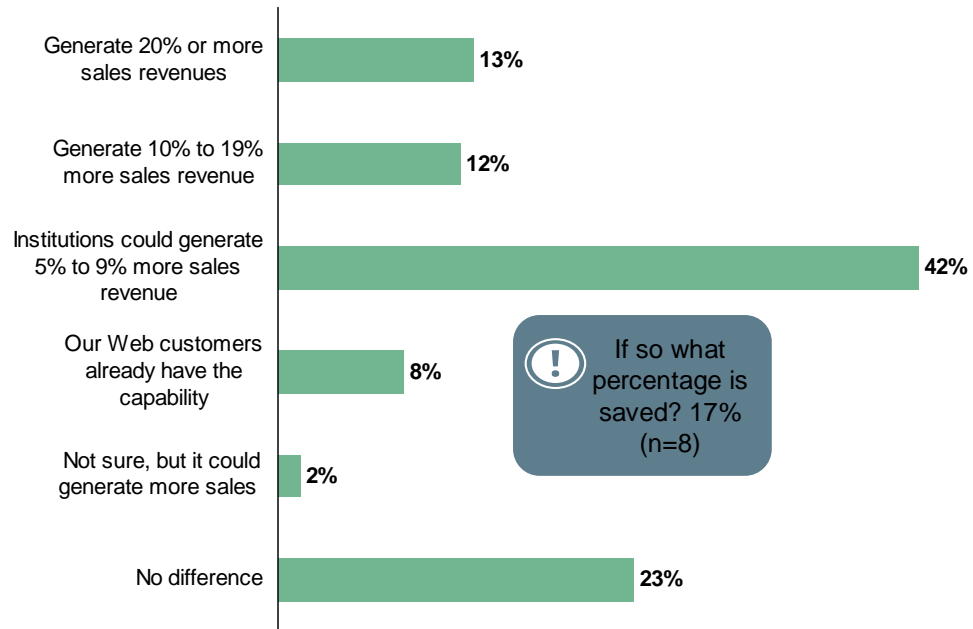
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

### *Web Collaboration Improves Sales Revenue Potential For FS Organizations*

Online customers often research product information on Web sites and compare products. Monitoring customers' Web behaviors and connecting interested customers to experts provides competitive differentiation and helps FS organizations generate revenues. Sixty-seven percent of respondents indicated that they could generate an additional 5% to more than 20% in sales revenue from the Web with this capability and 2% did could not quantify these savings. Another 8% indicated that they already had this capability.

**Figure 12: If Internet customers could collaborate in real time with experts while online, how would this affect sales from this channel?**



Base: 133 financial service professionals

\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

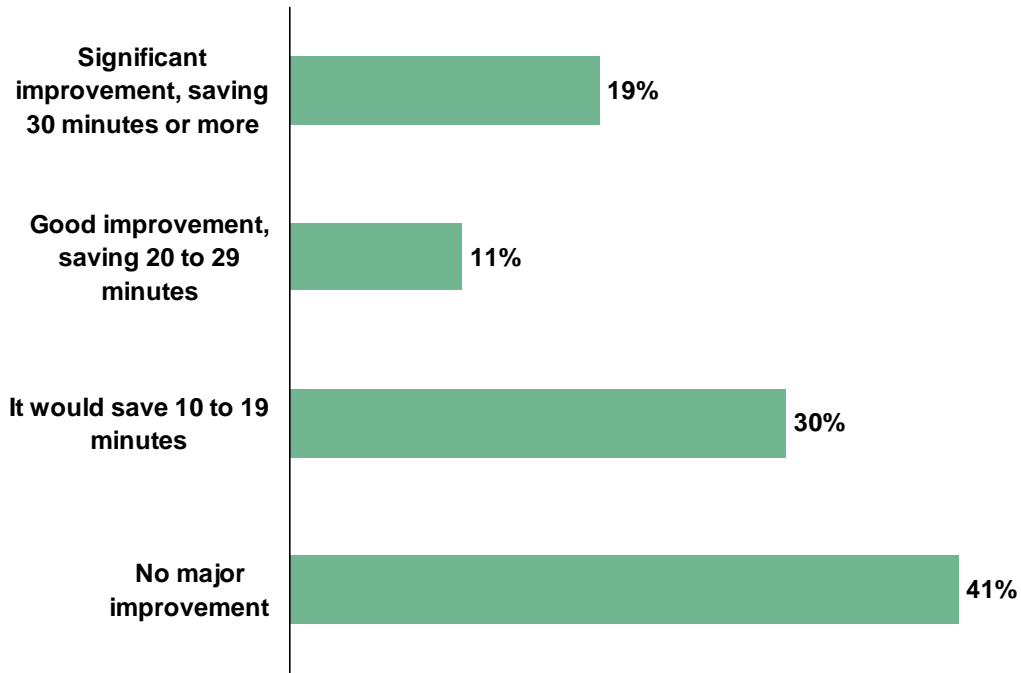
## Advanced Features On Mobile Devices Improve Response Times

Financial services organizations often have a distributed workforce, which makes it difficult to reach employees who are traveling. This often delays reaching others and slows business communications while co-workers wait for a response. UC improves connectivity with remote workers and enables more effective communication among workers.

### *Single Number Access Saves Time In Critical Situations For 60% Of Firms*

Often, when a critical situation arises, managers must notify others by chasing them across several devices and alerting them to the situation. With UC, an employee only needs to dial a single number that can reach an entire team across any device. Sixty percent of respondents indicated that this capability would enable them to save 10 minutes to more than 30 minutes compared with how they attempt to reach each other today.

Figure 13: How much time would be saved in reaching key decision-makers by dialing a single number that would reach the entire team immediately across any device?



Base: 133 financial service professionals

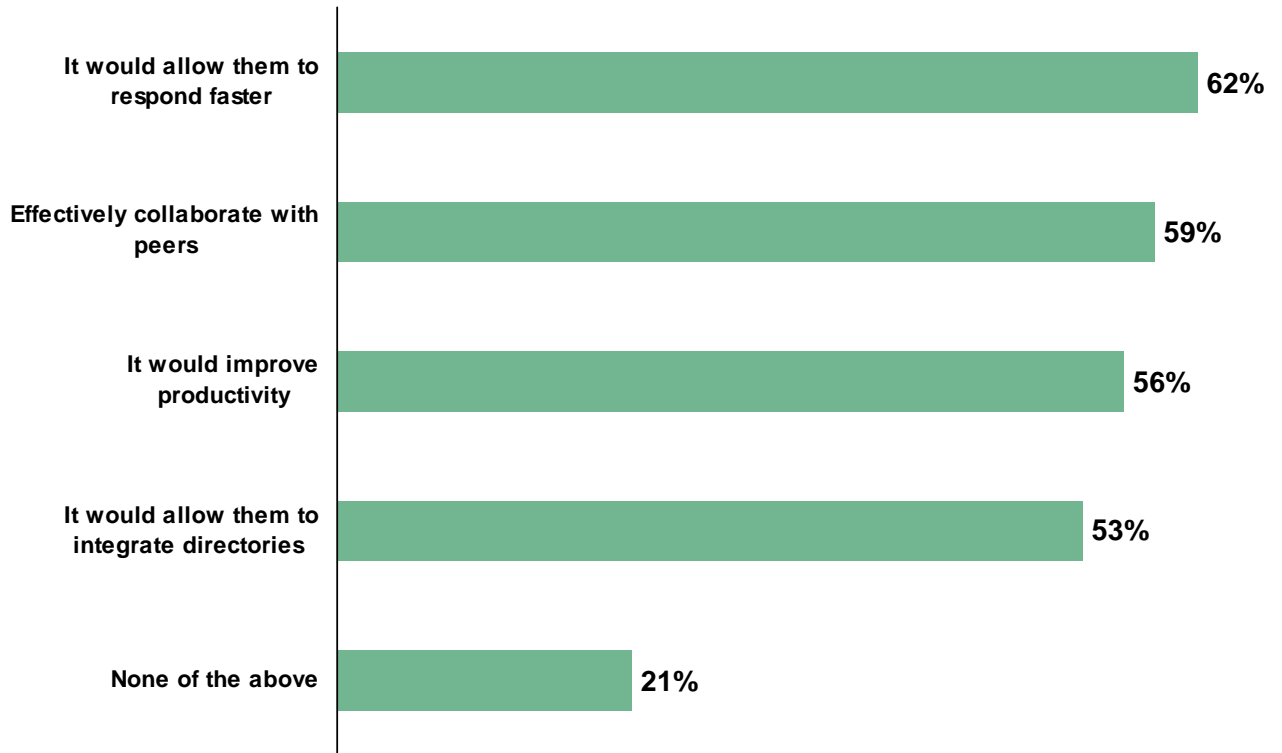
\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

### *Advanced Features Allows For Faster Responsiveness For 62% Of Firms*

Respondents indicated that providing mobile employees with advanced business features — such as presence, which displays the availability of their teammates, or the ability to launch conference calls from their mobile devices — provides several benefits. These benefits include the ability to respond faster (62%), improve productivity (56%), enable workers to effectively collaborate with peers (59%), and improve directory integration (53%).

Figure 14: If mobile employees could have access from any mobile device to advanced business features and could see the availability of teammates or point and click to start conference calls, what might this allow for? (Select all that apply).



Base: 133 financial service professionals

\*Percentages do not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco

## Financial Services Survey Summary

Financial services organizations represent a competitive industry that needs to respond quickly to meet customer expectations. This survey identified several areas that enable small FS firms to achieve their business objectives. Major findings from the survey indicate that UC offers several benefits that include:

- **Improving employee productivity.** Reducing communication delays and the ability to reach others with a single number across any device saves time for employees.
- **Expanding sales revenues.** With the ability for online customers to collaborate with experts easily, FS firms estimate they can generate more sales revenues.
- **Increasing customer satisfaction.** Improved collaboration among managers to share best practices and discuss issues leads to better customer support and satisfaction.
- **Sharing staff more effectively.** The ability to share staff to support peak traffic hours for call centers allows FS firms more flexibility with its workforce.

## UC Offers Value To SMB Businesses

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- **Lowering costs for training.** Advanced desktop training with Web and videoconferencing facilitates employee training while reducing travel training costs.
- **Attracting and retaining qualified workers.** Improved communications with other workers and customers positions FS firms to attract and retain qualified employees.

## Appendix: Survey Methodology

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<sup>1</sup> Forrester interviewed 133 financial services organizations in six countries (the United States, the UK, France, Italy, and Australia) to evaluate the benefits of UC for their organization. Survey participants included decision-makers from LOB and IT. Questions provided to the participants asked how UC capabilities would apply to various scenarios and were provided a choice of responses for each situation including a negative response.