

# BROADSOFT CONNECTIONS

Comms Business Magazine reports exclusively for the channel from Broadsoft Connections 2016, the global channel event held in San Antonio, Texas, by the leading cloud based telephony provider.

**F**rom a marketing statistics perspective cloud based telephony can prove a slippery topic to pin down compared to the established reporting practices of the legacy PBX market.

For many a year, PBX vendors used to report in their quarterly shipment figures to analysts who then produced the numbers and market share graphs. Of course the vast majority of vendors gilded the lily to a greater or lesser extent every quarter and the most difficult task they had, as told to me by one who did it, was to remember the extent of their fib every three months so as to keep the fabrication somewhat believable.

After a couple of years of impersonating flat earthers the PBX vendors eventually fessed up that sales were declining – after all, what else could they do post-2008?

Ahead of the Broadsoft Connections event the supplier made a number of announcements. Firstly, they put some numbers down as markers on the composition today of the cloud based telephony market.

See graph 1

Secondly BroadSoft said it believes that the cloud market for new cloud PBX/unified communications will surpass on-premise PBX/unified communication equipment shipments by 2020.

The fact of the matter is that cloud telephony, even today, represents a small fraction of the installed base of phone systems, (call them what you will; platforms unified communications or PBX), probably, around just 10-12% of the total. That percentage is however growing rapidly.

Now Broadsoft has over the years seen off the majority of their cloud telephony platform competitors to the point where at one stage they were appearing to be the only show in town. It was therefore of little surprise to see Broadsoft atop a table of cloud installed base lines. What was also of no surprise was to see the margin by which they eclipsed their rivals. See the

graphic below.

In announcing, via Frost & Sullivan on 9 November 2016, that they had reached a total of 15 million lines Broadsoft basically signalled its market dominance and a promise to do even better as the market shifts towards UCaaS solutions.

Timing was good for the company as these figures emerged just days before their annual partner get together in San Antonio where Taher Behbehani, their chief digital and marketing officer said, “BroadSoft Business positions us to maintain our place as the global cloud unified communications leader. As a multi-tenant UCaaS solution, BroadSoft Business can deliver cost and scalability benefits to service providers and businesses alike.”

Commenting on this Stephanie Watson, General Manager, at Analyst firm MZA, said, “Multi-tenant cloud solutions have dominated cloud telephony/UC deployments to date and over the forecast period this situation is expected to continue, representing more than 55% of all cloud deployments in 2021. MZA estimates BroadSoft based technology has a share of more than 50% of the Worldwide Multi-Tenant user base, and over 45% of the EMEA user base.”

**Product Announcements:**

The event was opened by Michael Tessler, President, CEO & Co-Founder of Broadsoft who announced their ‘Powered by Broadsoft’ brand as a new model for USaaS along with a promise to up their investments in marketing to increase user



**Michael Tessler CEO and Founder of Broadsoft**

awareness.

A new partner program will see Broadsoft make a business assessment of their partners and arrive at individual and yearly 12-month development plans.

For uc-one there will be a ‘try-it, click and register in 20 seconds which they hope will ‘go viral’ in the enterprise. In fact the product portfolio will as one observer said at the time, comprise of ‘three ones and a hub’.

Broadsoft Business

1. UC-one, (comms mobilisation) this already powers Verizon One Talk).

2. Team-one (collaboration empowerment) can share workspaces with guests and customers. There will be co-branded microsites, with the overall aim to reduce costs and deliver better conversions.

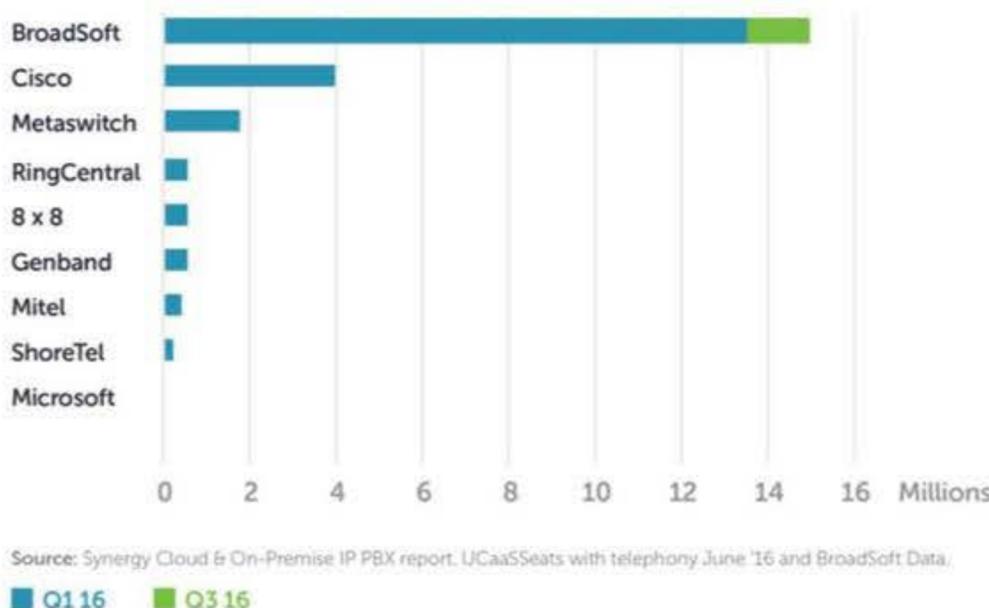
3. Cc-one (customer Engagement) this is a contact centre app and comes following the Broadsoft acquisition of Transera in February 2016 and their omni-channel contact centre software and advanced analytics.

These three apps come under the Broadsoft HUB, an umbrella for cloud based service apps integration and a ‘single place to do business’.

**Analyst Comment:**

Dominic Black of analyst firm Cavell Group was also in Texas for the event and noted, from attending previous years that the

**Cloud Installed Base Lines**



event was '20% larger than last year with over 1000 attendees from Service Providers around the world gathering to hear from the Broadsoft team about their new products and meet other Broadsoft providers from other markets'.

Black says that Broadsoft are very keen to highlight their market leadership position and credentials, announcing at the conference that their installed base of customers had reached 15m deployed seats, up from 12m in 2015, a growth of 25%. This announcement comes hot on the heels of other Service Providers and platforms all keen to reinforce their cloud credentials.

"Clearly this figure encompasses all of Broadsoft service providers end customers, whether they are sitting on Broadsoft's own BroadCloud environment or end customers of Service providers using Broadsoft Broadworks software, which still makes up the large majority."

Black added that Broadsoft was also keen to highlight the success of its own cloud solution 'BroadCloud' highlighting new customers including; Verizon, AT&T, Vodafone Germany, Deutsche Telekom, Nexteria-One, Rogers and Digicell.

"It would be fair to say although these are encouraging signs, BroadCloud has yet to gain large momentum amongst existing customers in Europe."

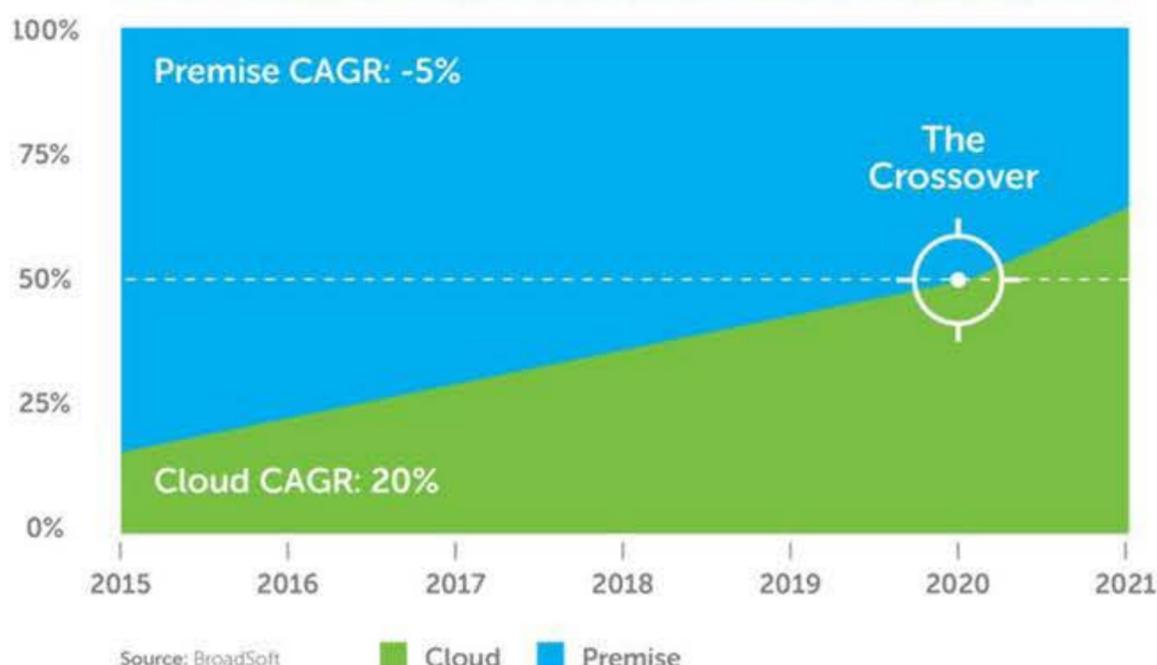
Building on its growing market presence and position Broadsoft also launched its 'Powered by Broadsoft' brand into the market at Connections. Broadsoft will allow Service Providers using Broadsoft platforms to include the 'Powered by Broadsoft' logo alongside their solution. In return, Broadsoft will offer their Service Providers a range of Go To Market support; including digital marketing, product information and data sheets, white papers (themes including mobile/fixed strategy, PBX replacement, UC advantages) and tailored go to market strategies.

As Black commented, "It appears initially there will be a mixed reaction from Service Providers, with some who spoke to Cavell believing that their own brand was in fact stronger than the Broadsoft brand and seeing little value, whilst other potentially smaller providers saw some clear benefits. Broadsoft believe that IT managers want to know the platform behind the solution and that the 'Powered by Broadsoft' brand will assure them that the solution is market leading.

For most market insiders the size and scale of Broadsoft is well known, but with lots of new competition and existing PBX providers moving into the cloud space it is clear that Broadsoft wish to highlight

## Cloud Line Shipments Projected to Surpass CPE by 2020

Combined Cloud/CPE PBX/UC New Line Shipment Market Penetration Projections



their position more clearly to its Service Provider and stakeholder audiences."

### Showcase:

As well as the Broadsoft keynotes the Connections event featured a partner showcase where independent suppliers could show off their value adds to interested resellers keen to establish differentiators in the market. Here the Brits were well represented with Akixi, VanillaIP and Tollring all making the investment.

*What were their key take aways from the event?*

According to David Dadds of VanillaIP Broadsoft has recognised the competition in their market is coming not from traditional players but from disruptors such as WhatsApp and Slack.

"It's therefore important we have the features to allow us to compete outside of the traditional telco based dial tone and contact centre arenas. Broadsoft Team one is an interesting product but faces a lot of competition however their HUB looks like it may be a winner by bringing all these apps together. Integration to core Broadsoft platform is a key differentiator."

Bart Delgado at Akixi told us, "We have been attending BroadSoft Connections as a Showcase Partner for the last five years, for us it is one of the biggest industry exhibitions that we attend for the goal of meeting new potential customers as well as meeting existing international customers. The event is always worthwhile for us and each year we acquire new customers and this year was no exception as we previewed two new features which were received extremely well."

Carl Boraman, Commercial Director, Tollring commented, "The BroadSoft Connections event made it clear that BroadSoft is innovating at a colossal rate, refining its highly evolved

platform to 'step up the game'. They have improved their offering to deliver a powerful, comprehensive and more polished proposition, with broader appeal. This rich proposition provides a great opportunity for any sized channel partner to access applications which were traditionally cost prohibitive."

*And the overall show highlights?*

Dave Dadds, "Two things, firstly to see Broadsoft clearly working more closely with their Service Provider community, and secondly, as a supplier of Uboss we gained many more enquiries from visiting SPs."

Bart Delgado: "The breakout sessions were very informative and being provided with more information regarding BroadSoft's business applications including, UC One, CC One and Team One was extremely insightful as well as being presented with a preview of the upcoming BroadCloud PAAS."

Carl Boraman: "A key message from the BroadSoft event was the availability of their new assessment of capability, a free service for service providers, offering access to their extensive knowledgebase and helping partners to move towards best practice and more informed decision-making around their BroadSoft proposition."

## ED SAYS...

Connections was a great conference that was well supported all round by their eco-system. I picked up vibes that some SPs believed that the Broadsoft pricing models still seem to be stuck in the telco era (expensive/inflexible) and that they will need to offer freemium style introductions to apps rather charge per user from the outset.