



5 UCAAS TRENDS SHAPING THE MARKET IN 2023



The unified communications as a service (UCaaS) industry has grown significantly over the past few years. Driven by the need to adopt technologies that supported remote work during the COVID-19 pandemic, the demand for flexibility has resulted in UCaaS platforms that are stronger and more feature-filled than ever before.

Increased functionality isn't the only benefit of using UCaaS, either. One study found that **84% of companies saw increased employee productivity after transitioning to a UCaaS solution,**¹ while another revealed that **34% of enterprises that adopted UCaaS reduced their IT costs by \$161,000 annually on average.**²

However, many business leaders would likely agree that there's still room for improvement in the UCaaS industry. Security is still a primary concern for business leaders on the fence about switching, with **62% citing data security as their biggest UCaaS challenge.**³ And as more businesses look to innovative new applications and services to incorporate into their communications system, **integration capabilities are now considered an essential UCaaS component for 89% of businesses.**³

From fending off rising cyber security threats to improving app integrations and more, this white paper will dive into the top five trends shaping UCaaS offerings to help you make the best choice on your next platform.

TOP 5 UCAAS TRENDS TO LOOK OUT FOR IN 2023

UCaaS providers don't stay still for long. **81% of senior business executives believe that over half of all work will be performed offsite by 2024,**⁴ so staying ahead of changing hybrid workforce needs is vital for vendors looking to stand out in the crowded UCaaS landscape. Below, we highlight the trends you can expect to see UCaaS providers embracing this year.

#1. Leaving Legacy Systems Behind for Good

As more organizations shifted from on-premise systems to cloud-based solutions throughout the pandemic, they discovered the numerous benefits of working in the cloud. Gartner estimates that **85% of businesses will adopt a cloud-first strategy by 2025**,⁵ so if you haven't looked into UCaaS yet, now is the time to start.

What's driving this mass migration to the cloud? Most modern, cloud-based solutions offer more reliability and security than on-premise technologies, allowing companies to meet regulatory compliance more easily. These flexible solutions also ease the burden on understaffed IT teams due to centralized management and provide greater savings, scalability, and mobility.

An estimated 47% of organizations have already replaced their legacy telecom systems with a UCaaS solution, and experts expect this number to rise to 70% in 2023.⁶ Migrating to a UCaaS platform sooner rather than later can ultimately help you move ahead of the competition this year – and stay ahead in the future.

#2. Investing in Better Cyber Security

Cyber security is frequently top-of-mind for business leaders, especially now that bring your own device (BYOD) policies are standard for most of today's workplaces. While BYOD initiatives are great for cost-savings and enabling hybrid work, they have presented new challenges for IT departments worldwide.

Work-from-anywhere employees often connect to the corporate network using unsecured WiFi connections or may leave devices unattended, potentially exposing data to hackers. Additionally, the expanded network perimeter created by remote workers makes traditional security tools like firewalls and VPNs less effective. **Nearly 20% of organizations encountered a data breach after rapidly deploying cloud**

technologies at the start of the pandemic,⁷ emphasizing the need for stronger security tools in cloud-based infrastructures.

This year, UCaaS providers are focusing on delivering better security measures to help customers defend against cyber attacks. Keep an eye out for more advanced cyber security features integrated into UCaaS offerings throughout 2023, such as transport layer security (TLS), single sign-on (SSO), and more.

#3. Harnessing AI to Boost Efficiency

Artificial intelligence (AI) is transforming business technology as we know it, and the same holds true for communications as well. AI has the power to improve operational efficiency, raise employee productivity, offer actionable insights, and much more – so it's probably no surprise that **40% of organizations plan to incorporate AI in their UCaaS systems.**⁸

In 2023 and beyond, we'll likely see AI-powered features become standard in UCaaS offerings to help businesses leverage these benefits. For example, platforms with built-in AI capabilities can quickly convert voicemail messages to text, automate note taking during meetings, and improve workflows. Additionally, AI can analyze system performance in real-time to predict any operational delays – including issues that may lead to downtime – and suggest fixes to ensure your teams are always connected.

#4. Improving Mobility With More App Integrations

One of the biggest appeals of modern UCaaS platforms is that they allow employees to work remotely on any device. Since today's workforce is increasingly mobile, more UCaaS providers are including iOS and Android device integrations to ensure seamless access to calls and texts – regardless of which device their remote employees and road warriors use.

Simplifying mobile device usage is a big step in the right

direction for businesses that have failed to provide easy methods for work-from-anywhere staff to connect. A recent study found that **35% of employees say they still lack the right tools to communicate and collaborate with coworkers.**⁹ By incorporating user-friendly apps that sync with your UCaaS system, workers can more easily move between their office desktop to their mobile devices and personal laptops.

Providers are also giving more attention to other third-party integrations essential for better workforce mobility, including client relationship management (CRM) tools, email applications, and more. We're also seeing more integrations with mobile device management (MDM) solutions to ease the burden of keeping track of the devices your remote workers and road warriors need to get their jobs done. All in all, app integration is becoming essential for businesses of all sizes, so keep an eye out for simplified integration capabilities in UCaaS platforms going forward.

#5. Consolidating Vendors and Service Offerings

The unified communications market is expected to reach \$262.37 billion by 2030,¹⁰ so we don't expect mergers and acquisitions (M&As) between UCaaS providers to slow down any time soon. Many vendors looking to improve profitability by adding services or capturing more of the market share will find acquiring a newer company more appealing than investing in technology innovation.

This year, we're anticipating more M&A activity focused on adding customer-centric functionality to UCaaS platforms. Expect to see a rise in UCaaS providers acquiring contact center as a service (CCaaS) offerings as businesses increasingly look to all-in-one platforms to simplify communications and collaboration across every department. We're already seeing this happen with Sangoma's purchase of StarBlue and plan to see more of it in 2023 and beyond.

GROW YOUR BUSINESS IN 2023 WITH THE LATEST UCAAS SOLUTIONS

As you plan for IT investments in the new year, better business growth, flexibility, and security are likely top priorities. Transitioning from a legacy on-premise phone system or replacing your outdated VoIP solution with a new UCaaS platform can help you save money and improve employee productivity, network performance, and more – but you have to select the right UCaaS provider first.

Navigating the crowded marketplace to find the best UCaaS solution within your budget can be challenging. That's where we come in. Contact our expert team today if you're ready to grow your business in 2023 with the latest in secure, flexible UCaaS technology.

SOURCES

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