10 VoIP Companies and Technologies to Watch in 2013

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Introduction

The key to understanding the evolving role of VoIP is recognizing that it's a lot more than just another method for making voice calls. Buying VoIP means more than simply replacing your existing phone system with a functionally identical one running over an IP network. In fact, the underlying IP technology makes possible great advances in the convenience and capabilities of phone systems. Most important of these is that it allows the integration of voice calling with multiple other methods of communication. Both sellers and buyers of VoIP products that build their strategies around this reality will fare best.

Unsurprisingly, most leading providers are moving in this direction. On the equipment side, these include august names like Avaya, Cisco and ShoreTel. On the hosted services side, they include BroadSoft, Fonality and 8x8 (though Fonality actually plays on both sides).

This document identifies 10 companies and technologies to watch in 2013. Each of them illustrates some aspect of VoIP business and technology that will affect companies using or considering using VoIP in the near future. And in many if not most cases, their integration of VoIP with other communication methods is in large part what makes them worth watching.

1. Cloud-Based Unified Communications, or UCaaS

Unified communications, or UC, is the most obvious example of such integration. It combines voice calling with various other forms of communication we've come to know and love. As such, it eliminates the barriers between e-mail, faxing, voice mail, mobile communication, video conferencing and the like. The most common perception, though, is that UC is a premises product. That is, you have to buy it in the form of expensive equipment and software that you run in your own facilities.

As with other useful applications and services, that too is changing. It is increasingly feasible to buy UC as a cloud solution. This type has even acquired its own name: UCaaS, for Unified Communications as a Service. Of course, neither the term nor the product it describes is new. What is new is the amount of attention this approach is getting.

One illustration of the trend is that major hosted VoIP providers are emphasizing this approach. Increasingly, they are calling themselves hosted or cloud UC providers, or simply functioning as such. Hosted services provider 8x8, for example, won recognition from Gartner as being in the "Leader Quadrant" of the research firm's so-called Magic Quadrant research report on UCaaS. Hosted communication services software vendor BroadSoft, for its part, recently introduced an iPad app that simplifies configuration of hosted UC services – a clear recognition of the growing importance of such services.

All of this activity makes clear that cloud-based unified communications is ready for prime time. If you haven't looked at it in the past, or have looked at it but passed on it, 2013 will be a good time to give it a thorough first or second look.

> **Cloud-based unified communications is ready for prime time.**

2. Skype

Sure, the rebellious Internet VoIP pioneer founded in 2003 is a relative old-timer by now. And sure, Skype has made a lot of moves over the years to reposition itself as a business product. Admittedly, too, it didn't make a lot of inroads into enterprises, especially the larger ones. For the most part, employees who used it did so through their individual accounts. But Skype's acquisition by Microsoft in late 2011 hinted of big new possibilities. And at least one of those materialized in late 2012, when Microsoft said it would retire its Live Messenger product in favor of Skype. That process is scheduled for completion in early 2013, with Live Messenger users having to migrate their contacts and information to Skype by the end of the first quarter.

The move to Skype was no trivial matter. Microsoft's popular messaging app had some 300 million users as far back as 2009. Skype too has a lot of users, of course – in October 2012, it had 45 million users online at the same time, and a reported 280 million in total. So the change means that Microsoft users will have all that many more people they can communicate with for free, through a single interface and platform. It also is a good hint that Microsoft has big plans for making good on its $8.5 billion investment in Skype. That alone makes the famous VoIP provider worth watching in 2013.

3. Microsoft Lync

Yet another Microsoft product is proving – yet again – that VoIP does not exist in a vacuum. Lync is a server-based software platform for UC – there's that term again. Lync integrates voice with virtually every other type of office communication. This includes among other things instant messaging, presence, and conferencing. The conferencing category includes Web, audio and video conferencing, as well as desktop sharing and similar functions.

What makes Lync worth watching is that Microsoft has just come out with a 2013 version (previous versions also included years in their names, including those sold under the previous Office Communications Server, or OCS, moniker). The new version could make considerable difference for companies using or considering it. Perhaps the biggest change is consolidated pricing. Instead of separate sets of standard vs. enterprise features as in the 2010 version, all 2013 versions will come with the full set of enterprise features.

With Lync, Microsoft also appears set to give Cisco a run for its money in the office phone system market. The main reason: recent research has shown that workers want more communications functions embedded in or available from within their existing office apps. That makes Lync, which runs on servers alongside of, and is tightly integrated with, Microsoft Office, an attractive option. That doesn't mean its dominance is a foregone conclusion, though. It just ratchets up the competition between the two giant vendors. This will spur both to further innovation. It will also, of course, complicate customer choices and increase their need for information. But that's a good kind of choice to have.

4. VoIP Integration With Video

This trend is another of those developments that make VoIP more than just a method for voice calling. Many modern VoIP systems make it possible to participate in video calls and conferences as well as audio ones. And the trend has been picking up increasing momentum. The problem is: It's never as easy as it seems it should be. That is, video calling will never be as simple as the venerable voice model of picking up a phone and dialing anyone in the world. That will make it a doubly important issue to watch closely over the coming year. And there are two main aspects of the issue to watch.

Keep video in mind as you shop for a VoIP system.

The first has to do with how necessary it is for you to have the additional capability to communicate by video. That will depend on how many of your competitors, customers, suppliers and partners are routinely holding video calls and conferences. If the majority of them are, you will likely want to as well. The second issue to watch is what VoIP vendors and providers are doing to make video communication easy to access. Moving from voice to video calls or conferences can be a painless experience, or it can be complicated and frustrating.

Either way, it will be important to keep video in mind as you shop for a VoIP system. Although the subject is too large to cover properly here, factors to consider will include things like types of endpoints supported or required, ease of transition from voice to video calling/conferencing, and compatibility among different types of equipment or systems. Making the best choice will require keeping up to date on developments in these and other areas. Announcements and advances will come fast and furious over the coming year, making video integration another key VoIP-related technology issue to watch in 2013.

5. Fonality

Fonality has long been one of the most forward-thinking and dynamic VoIP companies around. It always seems to move quickly to fill the most crucial customer demand. It started out as a unique hybrid hosted IP PBX vendor, combining the advantages of premises and hosted VoIP systems in a single product. It then added fully hosted service to its offerings, based on the same technological approach.

It is continuing to add the kinds of features and functions that businesses increasingly need. At the end of October, for example, it added screen sharing available to conference call participants, allowing up to 20 people to join a single session. As such, it is another prime example of the principle that offering – or using –VoIP alone is not enough. It has also always been competitive on price. The bottom line: if you want to know where VoIP is going, watch Fonality.

6. IMS

You might wonder what a complex cellular infrastructure technology has to do with business VoIP users. And you would be right to wonder. But though the connection is complicated, the role if IMS, which stands for IP Multimedia Subsystem, is important. The technology will play an important role in extending the features and benefits of VoIP to mobile users, especially the integration of voice with presence, instant messaging and unified messaging. All it will take is billions of dollars in investment.

In fact, all the features and benefits mentioned above depend on the ability to deliver voice over IP connections. But for mobile carriers, that's a major challenge. In fact, most are starting by delivering only data services, such as mobile Web access, over cellular IP links. Most voice is still going over traditional voice circuits. Thus mobile users are missing the full benefits of VoIP integration with other apps.

Delivering VoIP all the way to the mobile handset requires a big infrastructure investment. It starts with building out IP- based 4G networks that have the capacity and lack of latency to support time-sensitive applications like voice. More important, it requires building out IMS throughout the cellular network, in both the backbone and the wireless access equipment. So the when you read about your mobile carrier's IMS plans over the next year, pay attention. It will help you know when your mobile users will have a richer voice experience. In the meantime, they might end up trying an alternative (see Section 7 below).

7. Independent Mobile VoIP

There is actually one way to get the benefits of mobile VoIP without having to wait for IMS. A variety of standalone or independent mobile VoIP providers offer services through downloaded mobile apps or mobile Web portals. These are often smaller companies you may not have heard of. But your employees may already be using them. And that means you need to pay attention to them.

These smaller independent providers have names like fring, Line2, Nimbuzz, Rebtel, Truphone, Viber and Vopium. And of course, Skype has a mobile version, as does Google Voice. All offer cheap or free calling and texting between users, and cheap calling to landlines. They may allow calling over Wi-Fi connections, either free or bundled with cheap Wi-Fi access as with Skype. The services are particularly

attractive for offering cheap overseas calling from mobile phones.

You may not officially use these services as a company. But your employees may be using them to save money, or for the type of features and convenience they offer. They are always adding new features and services, particularly new ways to save money when making calls while traveling.

A lot of these companies have been out of the headlines for a while. But they continue to make quiet inroads among users of all types. As such, you need to be aware of them, especially the one named – need we say it again? – Skype.

8. VoIP and Social Media

VoIP and social media are natural integration candidates. Both boast the ability to mix data, including user information, from different sources and applications. So it's no surprise to see moves to make the integration formal. Doing this in consumer apps/services illustrates the potential of such efforts. But the possibilities become lots more serious and useful when they involve business systems.

On the consumer side, a key pioneer is once again – wait for it – Skype. Facebook users can make Skype calls from within the social network, and can see and update their Facebook news feeds from within Skype. This integration obviously doesn't target the business user directly, but it may inspire demand for similar business-oriented arrangements.

> Call centers are integrating social media functions, making dealing with call center agents more convenient and comfortable for customers.

Among the various possible approaches to business integration, the most promising involve call centers. A 2012 Heavy Reading report found that call centers are beginning to integrate various social media functions. This allows agents to interact with customers in a variety of ways. These include not only voice but instant messaging, live online chat and social media messaging. This makes the process of dealing with call center agents more convenient and comfortable for customers.

COMPARE BUSINESS PRODUCTS

One question is how soon this kind of integration is going to get under way in a serious way. No less an authority than Gartner says it's going to happen. Once again, the focus is on unified communications rather than VoIP alone. But Gartner says that this integration will mark the "third wave" of UC. The research firm isn't sure when it will happen either. Either way, it's clearly a trend worth watching in 2013, and perhaps beyond.

9. Increasing Telecom Carrier Involvement in Hosted VoIP/UC

This trend too is related to growing recognition of the benefits of unified communications. The distinction between traditional carrier voice service and VoIP services used to be clear-cut. Indeed, VoIP and telco VoIP were direct competitors. Now telecom carriers have seen the light. Increasingly, even the largest among them have begun to seriously push their own hosted services.

If VoIP alone were involved, they might not bother. After all, their existing networks allow them to offer traditional voice service almost as cheaply as VoIP providers can. But the rich capabilities that UCaaS offers makes it worthwhile for carriers to go to hosted services. And that's true for the same reason we've been discussing throughout this paper: VoIP makes possible comprehensive integration of voice with other applications and services.

Indeed, most major telecom carriers are now offering some sort of hosted UC. Such services are far superior to any traditional voice-only product they could provide. And the prominence of the names involved makes clear that the trend is here to stay. AT&T, Sprint and Verizon all offered new hosted UC services over the past year. And like IBM's entry intot the PC market, that validates the entire concept of hosted voice and related services. It also, of course, means more healthy competition among different types of premises and hosted providers, to benefit companies like yours. And that makes it a trend to watch with great interest over the coming year.

10. UberConference

There have been all kinds of conference calling services around for years. Some, especially the earlier ones, were formal and expensive. Many of the more recent entries have been casual and inexpensive, sometimes even free. But until UberConference, none of them did it right. That is, none made full use of the fundamental advantages that VoIP offers. UberConference will change that forever.

Perhaps this should come as no surprise, given who is behind the company. The founder of UberConference is Craig Walker. If the name sounds familiar, it's because Walker formerly founded GrandCentral, which you now know as Google Voice. The service was a pioneer in turning voice calling into a convenient Web-based app, even while continuing to use the traditional voice infrastructure.

UberConference does the same thing for conference calling. Again, it uses a simple, Web-based interface. You can invite, add, drop, and mute callers, as well as recording calls, all through points and clicks. You can also see everyone who is on a call, and see who is the active speaker. You can import contacts from Google, LinkedIn and Yahoo!, or via CSV file upload. For participants, joining conferences is just as easy. No PIN is required, because they are validated to join based on their inbound phone numbers.

You may not decide to use UberConference yourself. But even if you don't, the service will be important in the coming year. It sets a standard that all conferencing services should try to meet. So it's at least worth checking to see how it works and what it offers. Then you'll have a way to know whether the conferencing solution you're looking at measures up.