Forbes
INSIGHTS

COLLABORATING IN THE CLOUD

LEADERS IN TODAY'S COLLABORATIVE REVOLUTION REPORT SIGNIFICANT BENEFITS FROM A CLOUD-BASED APPROACH

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INTRODUCTION: A SUPERIOR MODEL FOR COLLABORATION

The ability to collaborate—across functional boundaries, time zones or even beyond organizational borders—is becoming an ever more critical determinant of success.

A good example comes from Colin Miles, head of technical services at Virgin Media. Owing to an array of new tools ranging from video conferencing and document sharing to an in-house, business-oriented social media style platform, "we're getting a lot better at problem-solving—at innovation." As Miles continues, "virtual communities" allow workers "to see where the challenges are" and all can "comment at appropriate places." This drives performance and innovation, says Miles, because "there's usually someone who'll have a great idea, and the group can see it in context and act on it that much faster."

But not all methods of collaboration are created equal. When it comes to the strategy and practice of collaboration, nothing can compete with next-generation cloud-delivered tools and processes.

Business executives are beginning to understand the profound nature of this new range of competitive capabilities as well as becoming more involved in the underlying technology discussions and choices. The following report relies on a survey conducted in October 2012 along with practitioner and consultant interviews. Together they provide a briefing on the degrees to which leading companies are obtaining greater business effectiveness and value through leading-edge, cloud-driven collaboration.

THE COLLABORATIVE REVOLUTION

A collaborative revolution has been brewing for well over a decade. It began with surging traffic on the Internet and the overwhelming embrace of message boards, wikis, newsfeeds and email but has since expanded to include even more collaboration-focused enablers such as mobile and broadband, as well as applications such as business-oriented social media and video-conferencing. Today the revolution is reaching fever pitch, as a comparatively new crop of cloud-delivered, collaboration-focused strategies and applications is achieving broader adoption and delivering remarkable results.

Companies today are taking more steps to enable an ever more intimate degree of collaboration between internal groups as far-ranging as finance, R&D, supply chain, production, marketing, logistics and IT. Moreover, the most advanced among these are now pursuing competitive advantage beyond enterprise borders, seeking closer collaboration with customers, suppliers and other external groups.

Within this epoch, cloud is surfacing as the medium most capable of successfully managing the revolution: quickly, efficiently, and in ways that can manifest dramatic benefits. Consider the ways cloud-based collaboration can:

- **Accelerate business results.** Business initiatives are implemented faster when the business is infused with cloud-based collaborative agility. So much so that nearly two out of three executives, 64%, say that cloud-based collaboration tools accelerate business results—a figure that rises to 82% among so-called "leaders" (see below: "Leaders vs. Laggards").

- **Revolutionize collaboration across time zones and functional boundaries**. Over half—55%—say that cloud-based solutions are no mere evolution but rather represent a true revolution in collaborative effectiveness. This figure rises to 87% among "leaders."

All manner of companies are in fact using cloud-based collaborative tools to transcend not only geographies but also functional specializations. Interviewees and supporting statistics show that this is one of the key drivers behind the cloud's ability to accelerate business results.

- **Enable more-efficient business processes.** Fifty-eight percent of total respondents—and 90% of "leaders"—say that cloud-based collaboration has the potential to improve virtually any set of processes. Sometimes the improvements are emphatic, such as in cases where through collaboration, greater understanding is achieved and a process is refined. In other cases, the benefit is more indirect, such as where efficiency accrues from a more connected, and therefore more closely aligned, cooperative and motivated workforce.

- **Generate profound—or even disruptive—innovation.** Fifty-nine percent of executives—93% of "leaders"—believe cloud-based collaboration stimulates innovation. Think of enhanced collaboration as a means of harnessing an ever wider range of functional and geographic resources. Thanks to cloud delivery, collaborative tools are now more ubiquitous. So more pure innovators are now more connected to others who may be more process-oriented, and so on. As more connections are established and nurtured, as greater understanding is achieved, better ideas germinate, with greater chances of reaching those in the best position to make things happen.

LEADERS VS. LAGGARDS

A key finding of the survey is that greater experience with cloud-based collaboration tools and strategies can lead to a significantly more positive view of their value.

Survey participants were asked to consider a range of collaboration-focused business imperatives. The full list includes:

- Incorporate video into meetings
- Enable meetings with remote participants and virtual teams
- Create internal communities and team workspaces
- Create flexible work areas/office space
- Collaborate with external organizations
- Consolidate communications infrastructure
- Extend telephony with video for visual communication and conferencing
- Access collaboration tools within business applications
- Enable mobile workers with access to collaboration capabilities "as if in the office"
- Enable remote workers with access to collaboration capabilities "as if in the office"
- Enable any device ("bring your own device" or BYOD)
- Locate and access remote experts in real time
- Enable desktop virtualization (software resides on a remote server rather than the local device)
- Deliver large-scale visual communications and online training
- Provide multichannel customer service
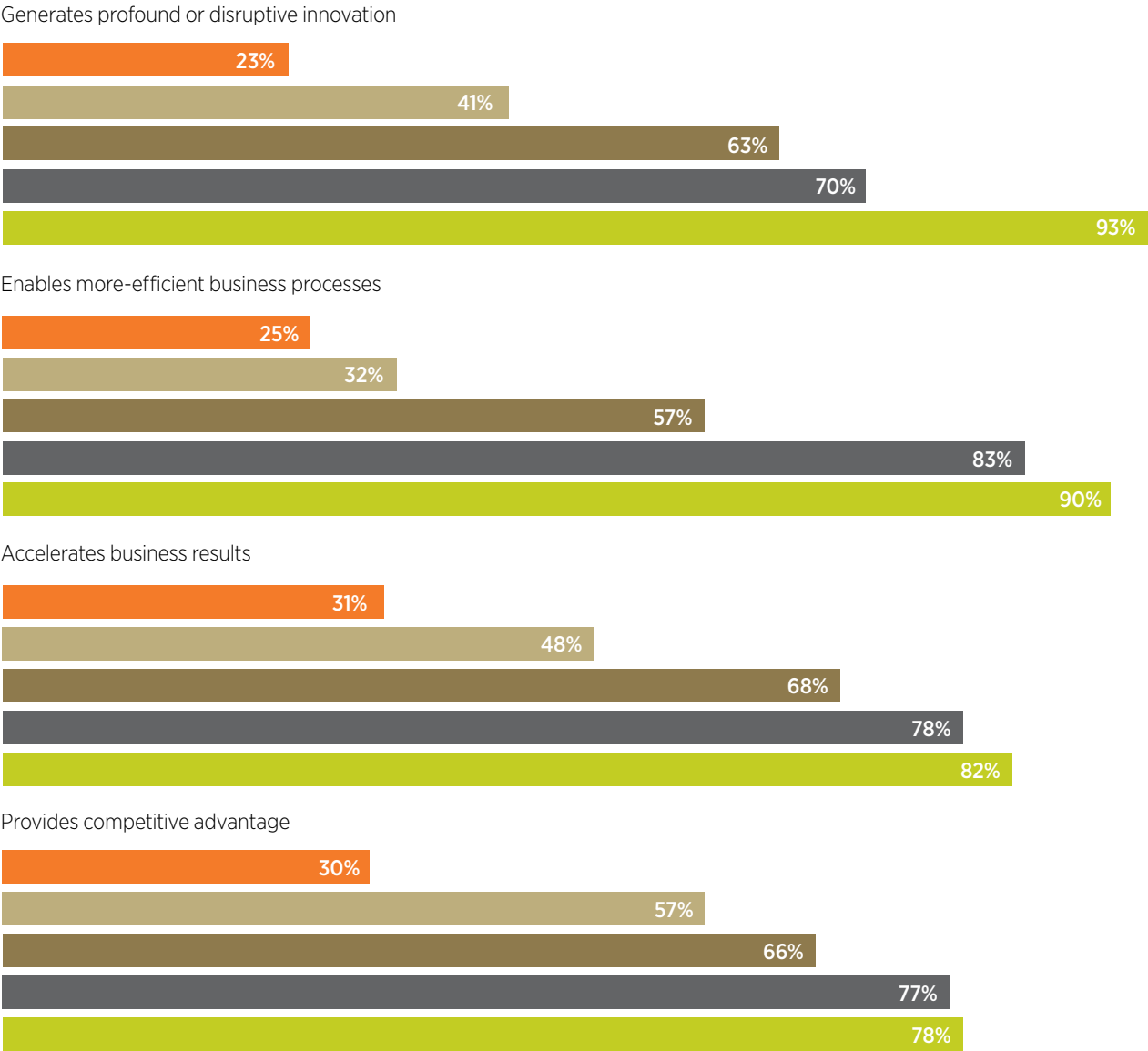- Monitor social media

Respondents were asked to note in which of the above areas they were making extensive use of cloud-based tools and applications. Now the sample could be split into five categories of cloud-collaboration adoption based on the number of collaborative business imperatives being substantially enabled by the cloud. The categories include:

- **Leaders** Extensive use of cloud tools within 10 or more of the above imperatives (14%)
- **Followers** Extensive use within 6-9 imperatives (19%)
- **Early majority** Extensive use within 3-5 imperatives (35%)
- **Late majority** Extensive use within 1-2 imperatives (21%)
- **Laggards** No pursuit of the above objectives or "not certain" (11%)

Thus grouped, further analysis shows that generally, the greater the experience with cloud-based collaboration, the greater the perceived, associated value. Specifically, survey participants were asked about the value of cloud-based collaboration solutions: do they accelerate business benefits, provide competitive advantage or stimulate innovation? In nearly all instances, leaders are significantly more likely than laggards to identify or recognize greater value. Moreover, when plotted from laggard to leader, this relationship in nearly all instances forms a nearly straight, upwardly sloping line. In other words, the more cloud collaboration tools in use, the greater the business impact. (The examples in Figure 1 are typical of the results throughout the survey.)

Terminology borrows from technology adoption lifecycle models developed by Messrs Bohlen, Beal, Rogers, Gross and Ryan.

FIGURE 1. EXPERIENCE WITH CLOUD-BASED COLLABORATION CORRELATES WITH PERCEIVED VALUE

Generates profound or disruptive innovation

- 23%
- 41%
- 63%
- 70%
- 93%

Enables more-efficient business processes

- 25%
- 32%
- 57%
- 83%
- 90%

Accelerates business results

- 31%
- 48%
- 68%
- 78%
- 82%

Provides competitive advantage

- 30%
- 57%
- 66%
- 77%
- 78%

Worth noting, the size of company has no consistent bearing on the degree of adoption. This means smaller companies are just as likely to be leaders as are larger companies. In other words, companies of all sizes are able to obtain the advantages of cloud-based collaboration.

- Laggard
- Late majority
- Early majority
- Fast follower
- Leader

% = Numbers who agree or strongly agree that cloud-based collaborative tools confer the expressed benefits

THE END OF THE FACELESS EMPLOYEE

Q&A: COLIN MILES, Head of Technical Services, Virgin Media

Virgin Media is the first provider of all four broadband, TV, mobile phone and home phone services in the UK.

Why are you investing in advanced collaboration tools?

Even though we're UK-centric, our operations are spread out over literally hundreds of sites. So we've got a very mobile workforce that spends a lot of time traveling, away from any fixed office.

Another key issue for us is that we were managing some very old technologies. We had fragmented document depositories. We were heavily reliant on email. And we had—in this day and age—faceless calls.

Why are faceless calls an issue?

What we've learned is that when it's just a telephone, the level of engagement is somewhat lacking. And if you had to share contents—documents of any kind or if there's going to be co-creation—you almost had to travel. In fact, prior to our teleconferencing capability, the feeling was that any meeting of any importance had to be face to face.

What is the problem with email?

There were simply too many of them! As many of our teams work together, there was a tendency to include everyone on every email, just in case they needed to know. We actually found that the longer the tenure of employee, the higher the amount of daily emails they received, as they were utilized as a source of company information as opposed to communication being for them.

And email's linear. They come in all day long, and you work your list from bottom to top or top to bottom. There's very little prioritization: something vital can sit in your in-box while you deal with any number of other, less time-critical issues simply because they arrived first.

What's the answer?

We've adopted a suite of collaborative tools. Document management, video conferencing, IMs.

What's the impact so far?

It's genuinely improving the quality of interaction. People are able to have the conversations they need with the people they need to have them with and are getting more out of it. And that's not always a literal conversation. It could be that they go on our business-oriented form of social media. Users can update their profiles so others know their expertise. And they post information that's relevant to the business and tag things so that others can search for the information they need, find it, and go on about their business.

Are you measuring the benefits?

Much of this is very difficult to gauge. But one thing we do know, it's saving our people a lot of time. We estimate that with all the reductions in travel, the reduced need to comb through email, the improved ability to find the information that's needed when needed—all told, it's saving the typical employee about 10 hours a week.

And we don't view that as 10 more hours for the company, but rather as a contribution to a healthier work-life balance. Our people are not on the road or working late as often, they get to see more of their families and friends, and they're less stressed on the job. They also have more time to do their job as well as to think about ways to improve things and innovate. It's intangible, but the benefits are very real.

What have you been learning?

One thing you can't underestimate is the change management, particularly in areas like the use of [business-oriented] social media. There we brought in an outside consultant to help us with the cultural aspects. People weren't used to being so open, to sharing. They needed to be led to understand the art of the possible—what can be done in a virtual community.

And one of the things we quickly learned was just how much duplication of effort goes on in a typical business. A project will be running and all of sudden you have two or three teams running around trying to do the same things when someone else had already gotten it done. With better collaboration and communication tools, and with everyone working to properly tag what they're doing, there's a lot less wasted effort.

The other thing we're seeing is that we're getting a lot better at innovation—at problem solving. When you are running communities, and everyone can see where the challenges are and can comment at appropriate places, there's usually someone who'll have a great idea, and the group can see it in context and act on it that much faster. I wouldn't say we've seen anything dramatic yet—but the pace of problem identification and solution is definitely faster.
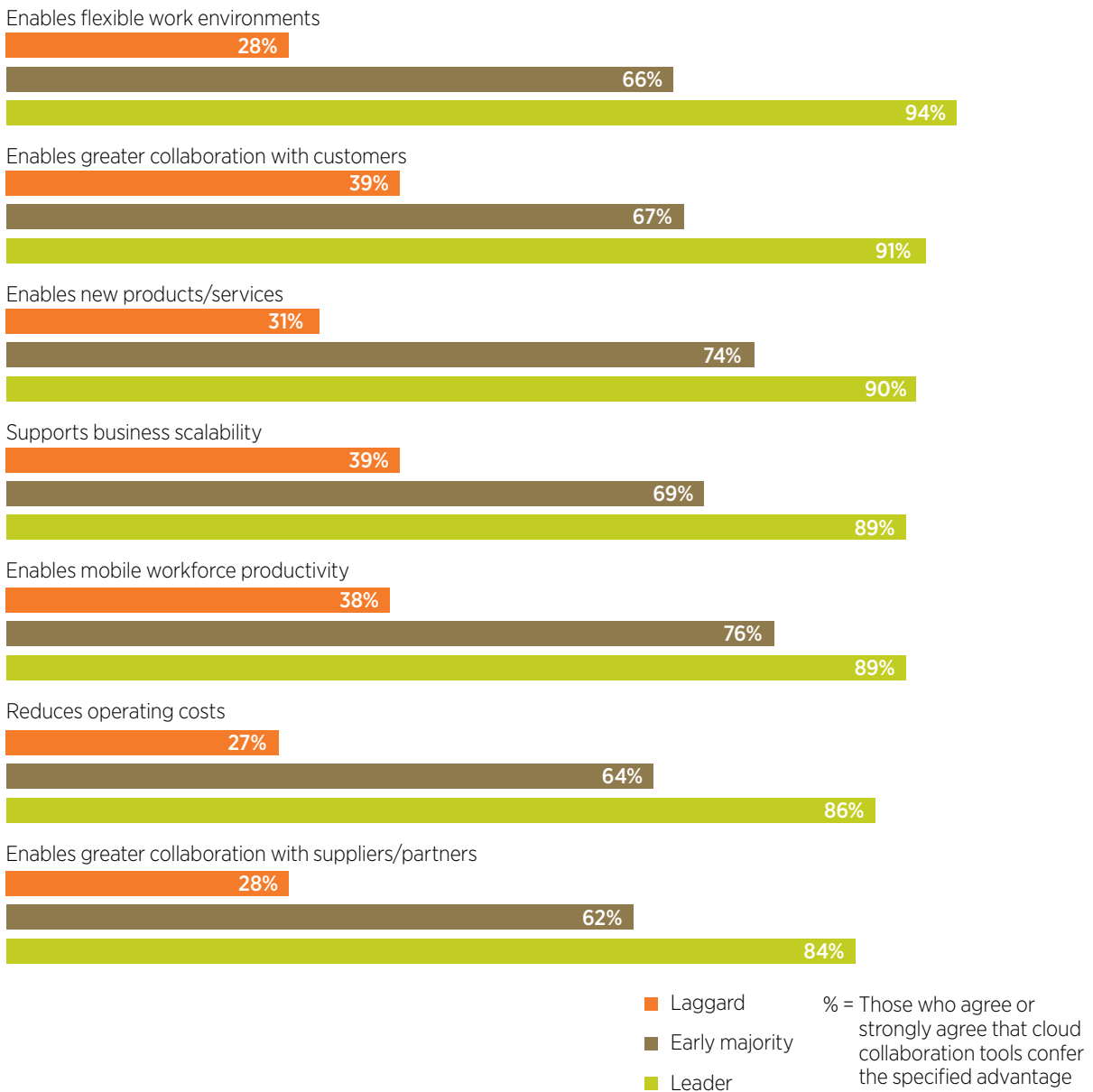
Is there anything you're surprised we didn't ask?

One thing that's really come to light for me is the value of building one-on-one connections within a massive organization. Your work can be connected to people across the country or in the same building and yet you've never met. But when you're on [video] call, there's a more human connection. Suddenly that's not just a name but it's a person you can relate to. You get to know what makes them tick. You feel empathy from their expressions and body language. A connection builds, and you're no longer just listening to that person because it's your job but really want to live up to your commitment to that person. That's a business benefit that can't be measured, but when you multiply it by the number of new connections, it's got to be a powerful driver of performance.

OTHER BENEFITS
OF CLOUD COLLABORATION

The reality is that the greater the familiarity with cloud-based collaboration tools, the greater the recognition of their value. Again, these results are remarkably consistent throughout the report, as further illustrated by the following additional benefits of cloud-based collaboration.

FIGURE 2. CLOUD-BASED COLLABORATION

Enables flexible work environments
- 28%
- 66%
- 94%

Enables greater collaboration with customers
- 39%
- 67%
- 91%

Enables new products/services
- 31%
- 74%
- 90%

Supports business scalability
- 39%
- 69%
- 89%

Enables mobile workforce productivity
- 38%
- 76%
- 89%

Reduces operating costs
- 27%
- 64%
- 86%

Enables greater collaboration with suppliers/partners
- 28%
- 62%
- 84%

■ Laggard
■ Early majority
■ Leader

% = Those who agree or strongly agree that cloud collaboration tools confer the specified advantage

EXAMPLES OF CLOUD COLLABORATION

Advancements in collaboration begin first with the commitment to the strategy: collaboration creates value. From there, an organization needs to focus on change management: specifying objectives, incentives and culture.

John Jackson, VP for global infrastructure at D+M Group, a maker and distributor of home, auto and commercial speakers and sound systems, strongly agrees. "One of the things we frequently discuss is how we can improve the quality of communications. We have a large presence in Japan, and that takes us to where we have people who aren't fluent in English. So achieving real understanding can be a challenge. But now, we have engineers or marketing staff conducting presentations via telepresence. So you have written presentations and there's whiteboarding and people are able to show the actual designs or blueprints and get a strong reaction, and it's just amazing what that can do to improve collaboration across time zones and languages."

Examples of how cloud technology is being harnessed to propel strategies and achieve objectives include:

- **Creating flexible work/office spaces** Over a third of organizations, 39%, say they are making extensive use of cloud-based applications to enable greater workforce flexibility. Cloud-delivered tools including video, voice, email, IM, data management as well as access to related core business processes can help workers share and access information and work on an anywhere, anyplace, anytime basis. The most advanced instances are also device agnostic, enabling access to collaboration tools from PCs, laptops or smartphones (a so-called bring your own device—BYOD—approach). Overall, these companies are enabling considerably improved collaboration across time zones and functions as well as improving the effectiveness of remotely based or highly mobile team members. Notice, however, that the figure more than doubles to 86% among leaders. Throughout the analysis, leaders are far more aggressive in the pursuit of collaborative strategies (see Figure 3).

- **Incorporating video into meetings** The telephone was once the primary means of remote yet instantaneous collaboration. Today 42% of companies at large—but 89% of "leaders"—are making use of voice augmented with streaming video delivered via cloud. The advantages are many—such as the improved quality of communication achieved through the ability to gauge facial reactions and mannerisms. But users can also, for example, more readily view a product, conduct healthcare-related evaluations, or troubleshoot a complex piece of machinery.

- **Enabling meetings with remote participants and virtual teams** Nearly half (48%) of organizations today are making extensive use of cloud-delivered collaborative tools to enable "live" multimedia interaction. But the figure rises to 90% among "leaders" and 68% among "followers." By using a consistent interface group-wide, businesses and other entities are able to simultaneously view presentations, share documents and see other participants. Combining visual with voice greatly improves the quality of interaction. Moreover, the ability to record events enables others to review proceedings when both needed and convenient, perhaps in their own time zones or when other—for their individual purposes, higher-priority activities or events—conclude.

- **Creating internal communities and team workspaces** Thirty-nine percent of survey participants say they are making significant strides toward the most advanced state: a truly digitized, collaborative workspace in the form of internal communities and team workspaces. The figure rises to 72% among "leaders" for whom breaking down functional as well as time zone barriers is a priority. Often at the heart of such initiatives is a sort of purpose-built social media-style platform—but decidedly more attuned to business objectives. Team members can update their personal profiles to include current skills, task-related interests and needs. Participants can post documents, videos, emails, relevant or useful links and similar objects of potential interest to others in the organization. Tags—search terms based on keywords correlating to key organizational executives—are added to these objects in order to help others find who and what they need.

Team members can also view one another's calendars, exchange emails and IMs, or initiate calls. Advanced systems can also enable assignment and review of work based on hierarchical priorities. Such digital workspaces are often merely primordial. But at their core, advanced platforms require standardization in key areas such as communication, conferencing, data retrieval and storage, security and search capabilities. All of these features are most readily achieved and maintained in a cloud environment.

FIGURE 3. CAPABILITIES ENABLED THROUGH CLOUD COLLABORATION
Leaders are using cloud technologies to achieve a broader array of business imperatives.

	Total	Laggard	Late majority	Early majority	Fast follower	Leader
Enable meetings with remote participants' and virtual teams	48%	0%	26%	48%	68%	90%
Incorporate video into meetings	42%	0%	17%	38%	65%	89%
Enable remote workers with access to collaboration capabilities "as if in the office"	32%	0%	6%	22%	58%	89%
Create flexible work areas/ office space	39%	0%	17%	36%	56%	86%
Create internal communities and team workspaces	39%	0%	17%	37%	58%	82%
Collaborate with external organizations	33%	0%	15%	31%	53%	69%
Locate and access remote experts in real time	21%	0%	3%	13%	36%	65%
Enable any device ("bring your own device" or BYOD)	24%	0%	9%	20%	34%	63%

ENHANCING HOW GOVERNMENT COLLABORATES WITH CITIZENS, BUSINESS AND OTHER AGENCIES

Q&A: DAVID WILDE, CIO, The Essex County Council

Essex County Council is a UK government enterprise with 48,000 far-flung employees and an operating budget of $3 billion.

Why is collaboration important to you?

There are so many reasons. One is, we have 40,000 public employees, teachers, police, maintenance and the like, spread out over a very rural community. But perhaps the biggest reason, I see cloud as the means to enable us to join up public service delivery in a way that just wasn't achievable before.

How so?

That's taking place on a number of levels. We have the technology, the tools to allow people to share information and ideas electronically. Next, the second level is collaboration with the population and the business community to better inform decision making.

Then there's social networking. One tool we like is Twitter, which we're using to, for example, alert people about traffic problems—we have over 20,000 followers for that. Then there's LinkedIn, which is great for building relationships with business. We can, for example, build communities, like around telecoms, where we can share ideas and opportunities for building or locating a business. And we also use Facebook, which is a great way to connect with hard-to-reach, because we're so rural, people being supported by our social care teams. A teenager who's run away, for example, is very willing to communicate via Facebook.

What steps are you taking to manage social media risks?

We have strong information governance policies in place. We talk with people about what to share, what not to share. And before you can post, you have to take a test to show you know the rules. And of course, we monitor from there.

What about collaboration-specific cloud technologies?

So far, that's mainly internal or interagency. We're now getting into collaboration on shared services with other agencies like the National Health, the police and the welfare department. We're sharing more information to improve services, cut fraud and reduce crime. And we also use document repositories where people can work together in a secure environment and there are audit trails of revisions.

And we've also just rolled out video conferencing to 9,000 people. That's great for one-on-one conversations, where it really improves understanding. And then there's other communication tools like instant messaging, which is really reducing the number of emails—and that's a great thing.

Why cloud?

It's just that relative to the traditional IT model, cloud is in so many ways a superior model. For one, it's more flexible. I have this employee, I know I need fit-for-purpose IT, and in each case I know exactly what is needed and what that costs. I can have it turned on today, and I can scale it up or down as needed, and I don't need to do a lot of work on our end getting it done.

I also love that we don't need a huge footprint. IT is a specialty, but it's not somewhere where we necessarily want to specialize. We have a rule where if you want to add something, you have to view the cloud first. There has to be a reason to do it in-house. And please don't bring up security, because as far as we're concerned, your data and processes are just as secure in the cloud, if not more so. Overall, cloud just lets you manage for high performance in an era of diminishing budget.

Is there anything you're surprised we didn't ask?

Video—that's proving to be a very valuable tool. We just did a rollout of a new payroll system and, rather than have to make a hundred presentations, we just posted some how-to videos on the website and we were done. That's something where there's a lot of potential to improve information sharing.

And something else we're doing, we're looking for ideas to use information in new ways. We're saying to the public and to businesses, "Here's the data that we have—now what would you like us to do with it? Is there anything else you want?" And part of what we believe will happen is that others will have some great ideas or will do some innovative things with our data which will benefit others.

THE CLOUD: A BUSINESS DISCUSSION AND PRIORITY

It is vital to recognize that none of this is a solely IT or non-IT discussion. By embracing cloud-based collaboration, organizations can achieve breakthrough performance. But achieving optimum results requires active and concerted involvement from both business units and their IT teams. In short, this is not an IT discussion—it is a broader business discussion.

In fact, 49% of survey participants say that business leaders—non-IT executives—are becoming more involved in selection, implementation and management processes relating to their cloud-based collaboration tools. Meanwhile, the figure expands to 75% among "leaders" and 60% among "followers."

Worth noting is that the more involved a company becomes in cloud-based collaboration, the broader the sphere of influence of non-IT executives. The number of instances where survey respondents say any given executive exudes influence in such decisions grows significantly among leaders. This is true for both C-suite and line executives. However, the differences are especially pronounced for the latter category. For example, only 39% of participants overall and 31% of laggards say a head of sales has

influence over cloud collaboration decision making. But the figure increases to 58% among leaders (and expands similarly for all manner of department heads).
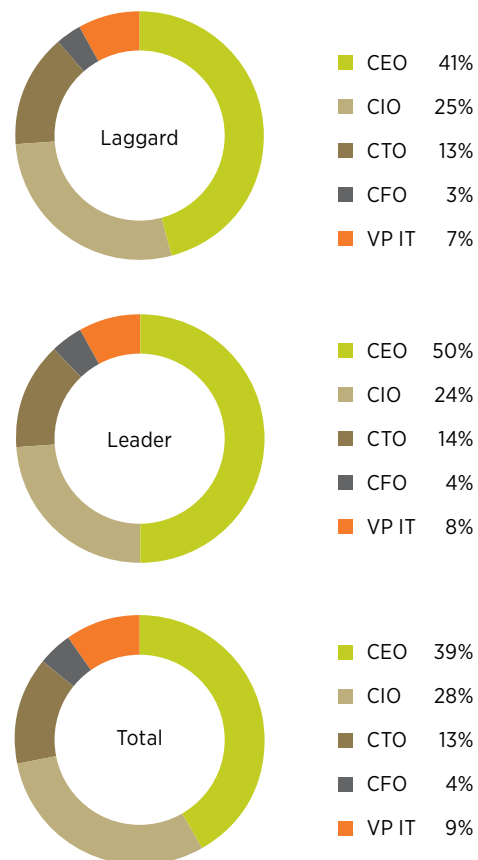
As D+M Group's Jackson explains, "We don't want to make large investments in technologies that go unused." The best way forward is "to go around educating the business leaders on the functionality and value of these tools and then get buy-in." In this way, says Jackson, "we get the greatest return on our investments, and the business appreciates the value in our solutions."

In addition, when it comes to naming the ultimate decision making in cloud collaboration, among leaders, that role is significantly more likely to fall to the CEO. In short, the more sophisticated a company becomes in its collaboration strategy, the more likely it is that non-IT executives will be playing a more involved if not critical role.

FIGURE 4. WHO PLAYS A ROLE IN INFLUENCING CLOUD COLLABORATION DECISIONS?

	Total	Laggard	Leader
Sales	39%	31%	58%
Marketing	37%	28%	57%
Operations/GM	40%	36%	54%
Manufacturing	34%	23%	54%
CFO	50%	46%	53%
Customer service	37%	31%	53%
HR	36%	30%	50%
Engineering/ development	36%	26%	49%
VP IT	36%	21%	49%
CEO	39%	41%	44%
CTO	36%	31%	40%
CIO	31%	16%	39%

FIGURE 5. WHO IS THE ULTIMATE DECISION MAKER?

Laggard

- CEO 41%
- CIO 25%
- CTO 13%
- CFO 3%
- VP IT 7%

Leader

- CEO 50%
- CIO 24%
- CTO 14%
- CFO 4%
- VP IT 8%

Total

- CEO 39%
- CIO 28%
- CTO 13%
- CFO 4%
- VP IT 9%

THE ROAD AHEAD

As for where survey participants will be focusing additional strategic investment to improve collaboration, priorities, in order of frequency of inclusion among "top three" include:
- Customers (65%)
- Internal teams (53%)
- Suppliers (38%)
- Channel partners (22%)

A good example of outwardly focused collaboration comes from the Essex County Council. As Wilde explains, collaboration solutions for his organization have thus far been internally focused. But going forward, "we're now getting into collaboration on shared services with other agencies like the National Health, the police and the welfare department." In expanding collaboration beyond enterprise boundaries, "we're able to share more information to, for example, improve services, cut fraud and reduce crime."

Viewing the full spectrum of "go-forward" strategies from laggards to leaders presents a revealing picture.

On internal investments, the gap between leaders and laggards is closer. This is likely because leaders have already made great strides and no longer need to focus their future investment internally. Leaders, the data reveals, appear now to be focusing more intently at opportunities to collaborate externally, such as with customers, suppliers and channel partners.

Today's laggards, on the other hand, in their efforts to catch up are viewing opportunities with customers and internal teams in nearly equal light. Meanwhile, in some cases (such as with internal teams) laggards plan to ramp up their focus more aggressively than the late or early majorities. In other words, those slow to react may be bypassed.

It should come as no surprise that once a company sees the value of enhanced internal collaboration, it turns its gaze outward. Such collaboration will in all likelihood lead to business process improvement, new products or services, along with a myriad of other forms of innovation.

FIGURE 6. SPECTRUM OF STRATEGIES, LAGGARDS TO LEADERS

	Total	Laggard	Late majority	Early majority	Fast follower	Leader
Customers	65%	59%	52%	66%	71%	81%
Internal teams	53%	61%	24%	50%	78%	64%
Suppliers	38%	21%	35%	42%	37%	47%
Channel partners	22%	7%	15%	21%	28%	40%

REQUIREMENTS FOR SUCCESS

No matter how decisions are made, leaders in collaboration say that initial success and continuous progress requires change management.

In particular, executives say their peers must take steps to:

• Develop key incentives Cloud-based collaboration requires greater openness and sharing. Many workers—potential team members—are not accustomed to so willingly sharing their expertise and may view such initiatives as a means of undermining their value to their organization. Overcoming such reluctance and fear, experienced executives say, requires developing a range of incentives, including performance metrics that measure and reward collaboration.

• Designate leaders or "champions" In almost any organization there are numerous executives with a greater proclivity for active collaboration. These are often those who are already heavy users of video, social media or business-oriented social media. Leading companies identify such executives early on and provide them with support and recognition as a means of inspiring the organization to embrace more collaborative approaches.

• Measure… Many focus on cost savings to evaluate the success of their cloud-based collaboration initiatives. Indeed, the cloud can reduce costs, dramatically. But this is rarely the core driver behind most organizations' push for heightened collaboration. Instead, strategic objectives tend to include greater innovation, organizational dexterity, customer satisfaction, employee engagement or related intangibles. These can be difficult to gauge. Leaders in collaboration say: try.

• …and continuously improve Collaborative thresholds are expanding daily. What might be optimum collaboration today could easily be bypassed tomorrow. So companies must continuously refine their cloud collaboration strategies in light of advancing technology and practice. In an era where growing numbers are using collaboration to build sustainable competitive advantage, those that fail to pay attention will risk being left behind.

AIDING BUSINESS UNDERSTANDING— AND STREAMLINING THE IT FOOTPRINT

Q&A: JOHN JACKSON, VP for global infrastructure, D+M Global

D+M Group is a global company dedicated to enhancing life through inspired sound solutions delivered anytime, anywhere. D+M Group brands include Allen & Heath, Boston Acoustics®, Calrec Audio, Denon®, Denon DJ, Denon Professional, Marantz®, Marantz Professional and Premium Sound Solutions.

What advantages do you see from advanced collaboration tools?

There are so many it's difficult to know where to start. The ability to collaborate is part of our core business model. One of the things we frequently discuss is how we can improve the quality of communications. We have a large presence in Japan, and that takes us to where we have people who aren't fluent in English. So achieving real understanding can be a challenge. But now we have engineers or marketing staff conducting presentations via telepresence. So you have written presentations and there's whiteboarding and people are able to show the actual designs or blueprints and get a strong reaction, and it's just amazing what that can do to improve collaboration across time zones and languages.

Are you doing anything to measure the benefits?

We try, but it's difficult. It's easy to measure the cost savings associated with reduced travel, however, it's harder to quantify the dollar value from better communication among the various groups within D+M. We've seen a lot of cases where we know it's delivering real business benefits. We have these product development reviews where there are video calls going on 24 hours a day in different regions, with different brands, verticals and other (sets of customers). The videoconferencing has dramatically improved speed with which we deliver new product introductions.

Why cloud?

Our strategy is to staff our IS organization with a team that drives business initiatives and delivers value. We look to leverage the economies of scale and benefit from the extensive technical skill sets of our partners. We view our partners as an extension of our enterprise that provide the deep skill sets where needed, and that's a tremendous value-added service.

Plus, we love the transparency—we know exactly what a solution is costing us, which is much harder in a traditional IT environment. And the flexibility—we can ramp up or pull it back as needed.

We have been at the forefront of the cloud evolution as we have almost 100% of our IS solutions in the cloud. We are constantly evaluating opportunities case-by-case and building the cost-benefit analysis as to why it makes sense to do it a new way.

How are you going about this?

We don't want to make large investments in technologies that go unused. The best way forward is to go around educating the business leaders on the functionality and value of these tools and then get buy-in. In this way, we get the greatest return on our investments, and the business appreciates the value in our solutions.

We started out slow, getting our providers to deliver all of our voice conferencing and web conferencing solutions. Later we looked at unified communications across the board. And when you approach it this way, you can go at the pace you need to develop your strategy and handle the change management.

Is there anything you're surprised we didn't ask?

You didn't ask about choosing a provider. There, we look for partners that aren't necessarily niche, but that aren't giants either. We want that sweet spot where we are large enough to get the attention we need from our service providers. They provide us with solutions that come from major players in the industry, but our direct relationship is with someone with whom we have considerable trust and a close working relationship.

> "And people are able to show the actual designs or blueprints and get a strong reaction, and it's just huge what that can do to improve collaboration across time zones and languages."
>
> **—JOHN JACKSON**
> **VP for global infrastructure, D+M Global**

CONCLUSION

A cloud-based approach to collaboration helps companies accelerate business results, improve business processes and stimulate innovation. Additional benefits include, but are by no means limited to, breaking down barriers between time zones and functions and enhancing mobile workforce productivity. As for the next frontier, leaders in collaboration are looking outside their organizations to focus on improving collaboration with external groups such as customers, suppliers and partners. And all such actions, leaders insist, are leading to significant gains in competitive advantage.

What is particularly striking is the more cloud-based collaboration tools in evidence, the higher the marks conferred in terms of achieving value through collaboration strategies. Greater familiarity and more department head involvement, in essence, leads to higher confidence that collaborative strategies create value and that these solutions are helping get it done.

Optimized collaboration quite simply leads to better performance. And as this survey shows, the cloud is by far the most effective means of leveraging collaborative technologies. Consequently, now is the time for business executives to follow the "leaders" to implement cloud-based collaborative solutions.

ABOUT THIS RESEARCH

The insights and commentary found in this report are derived from both a survey and personal interviews. The survey, carried out by Forbes Insights on behalf of Cisco, was conducted in October 2012 and completed by 532 executives. Key demographics include:

Executive title: EVP/SVP/VP (25%), CIO (15%), CEO (12%), COO (11%), other C-Level executive (29%)

Location: North America (38%), Europe/Middle East/Africa (38%), Asia-Pacific (22%)

Company size: $250 million to $499 million (19%), $500 million to $999 million (24%), $1 billion to $9.9 billion (29%), $10 billion to $20 billion (14%), over $20 billion (13%)

Industry: Financial services (25%), manufacturing (16%), technology/media/telecommunications (14%), healthcare (8%), retail (8%), government (7%), energy and natural resources (7%), other (15%)

Interviews were conducted with 15 executives from a range of industries including healthcare, manufacturing, education, high-tech and financial services. For this specific report, three executives agreed to be quoted on the record:

• John Jackson, VP for Global Infrastructure, D+M Global

• Colin Miles, Head of Technical Services, Virgin Media

• David Wilde, CIO, The Essex County Council, UK

Both Forbes Insights and Cisco are grateful to all our interviewees and especially those on the record.

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Forbes Insights is the strategic research practice of Forbes Media, publisher of Forbes magazine and Forbes.com. Taking advantage of a proprietary database of senior-level executives in the Forbes community, Forbes Insights' research covers a wide range of vital business issues, including: talent management; marketing; financial benchmarking; risk and regulation; small/midsize business; and more.

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