Lotus. software

IBM reaps business benefits and major cost savings from unified communications and collaboration

Overview

- **The Challenge**
  Large enterprise with globally distributed, mobile workforce must foster collaboration through the most efficient channels to optimize productivity and contain costs

- **Why IBM?**
  IBM offers an industry-leading, open and extensible software platform for unified communications and collaboration

- **The Solution**
  IBM® Lotus® Sametime® software for instant messaging, Web conferencing, voice over IP (VoIP) and more

- **Key Benefits**
- Higher productivity due to faster, easier collaboration and decision making and more effective meetings
- Estimated savings of US$16.5 million per year in reduced phone costs from use of instant messaging (see page 3)
- Estimated savings of US$97 million per year in travel costs from use of Web conferencing (see page 4)
- Client programming model offered through IBM Lotus Expeditor supports plug-in applications to meet specific business needs
- Open standards-based platform runs on alternatives to Microsoft® Windows® for potential cost savings on unified communications and collaboration
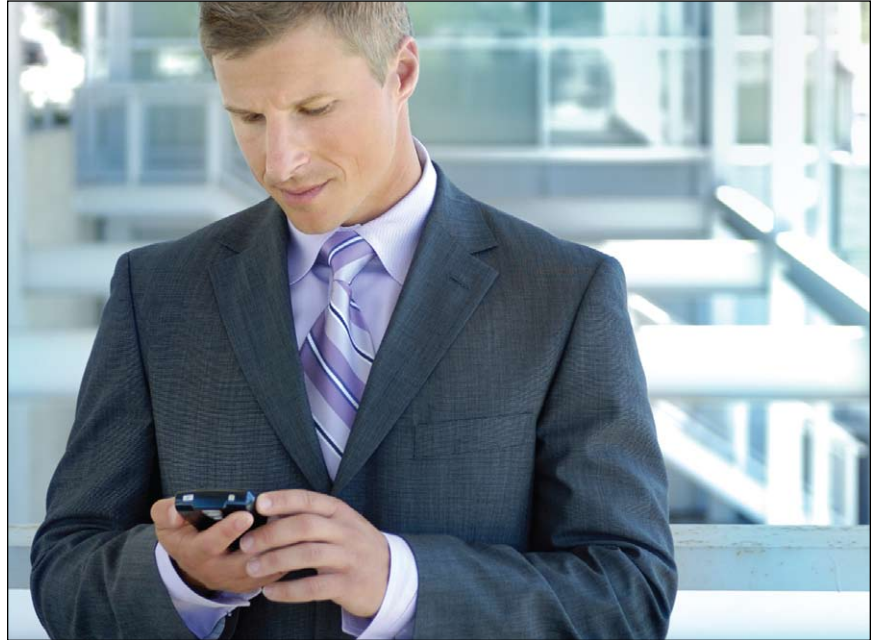
In recent years, the traditional model of work and the place where work happens has changed. Due to the ubiquitous connectivity the Internet and other technologies provide, the number of "virtual" workers has grown exponentially over the past few years. Employees work in home offices, from field locations, airports and customer sites. Those who work every day in company offices may still be separated geographically from teammates and colleagues. In a 2008 study conducted by IBM Global Business Services, the ability to collaborate effectively across an organization and to locate experts are cited as critical to having an adaptable workforce that can rapidly respond to changes in the outside market.[1]

International Business Machines Corporation (IBM) has experienced this phenomenon on a massive scale. Known for most of its recent history as the world's largest computer technology and consulting company, it is also the world's largest employer in its industry. More than 360,000 employees work out of more than 2,000 locations in 64 countries, and 40 percent of them are mobile or work

at home. With this highly distributed workforce and a culture defined by collaborative knowledge sharing and teaming, IBM has found real-time communication to be a business-critical requirement.

Open, extensible Lotus Sametime platform connects users of all types

This need is met within IBM by use of its own products—the award-winning, industry-leading IBM Lotus Sametime software for enterprise instant messaging, presence awareness, Web conferencing, point-to-point video, Internet telephony and much more. Instant messaging is set up in IBM as an extranet service and is available to nearly all employees as well as to certain customers and business partners. There are about 380,000 users today (internal and external combined), with an average of 200,000 online concurrently, generating roughly 5 million chat messages daily.

The primary means of access is through a desktop client, and most employees use the standalone Lotus Sametime client. Others use the IBM Lotus Notes® release 7 or release 8 clients which incorporate instant messaging capabilities. There is a Web client for browser access, and employees with RIM BlackBerry, Symbian or Microsoft Windows Mobile devices can access instant messaging through a mobile client on those devices. Customers and business partners can connect through the IBM Lotus Sametime Gateway or through **ibm.com** via the browser interface.

Instant messaging is uniquely able to serve specific needs

IBM relies on Lotus Sametime software to conduct its business, and use of instant messaging has almost surpassed e-mail as a primary means of communication. Chris Pepin, senior architect for the IBM Global account, explains: "The immediacy and spontaneity of instant messaging help bring together individuals and teams— very important in a company where people in the same department may be in different states or countries. We've also extended Lotus Sametime collaboration to some of our customers—more than 15,000 customer users per month take advantage of these capabilities."

Presence awareness lets people catch others when they are available, and the real-time instant messaging connection provides timely access to information and expertise. It is easier to coordinate work efforts. People can get answers fast

and pick up right where they left off. And being able to confer with colleagues in context at the moment of need facilitates faster, better problem solving and decision making. In fact, at IBM the number of phone mail messages has decreased considerably, as people are able to find, reach and collaborate with each other when available using the presence awareness and instant messaging capabilities of Lotus Sametime software. "Lotus Sametime makes our globally dispersed employees feel that they are part of an effective and innovative collaborative community," Pepin says. "People are constantly telling us that they could not perform their work without Lotus Sametime."

Large benefits come at relatively small cost

"The cost savings from use of Lotus Sametime instant messaging is staggering," says Pepin. "We estimate that instant messaging has helped IBM avoid approximately US$1.4 million per month in phone usage alone, or about US$16.5 million a year. It costs IBM a small fraction of this amount to run instant messaging for the corporation." The estimate using figures for 2006 was based on 380,000 users worldwide, with 200,000 concurrent users and 4 million chat messages per day. This volume included 5,000 external customers a week via ibm.com. The calculation was based on the average number of unique users per day, an estimate of the number of times instant messaging is used instead of phone, average minutes per call, and the phone rate. Quick access to expertise and support of mobile workers are also factored into the calculation. Additional savings can result from reduced use of e-mail, reduced use of paper and the cost benefits of high productivity.

Convenient Web conferencing supports all size groups and many purposes

The Web conferencing component of Lotus Sametime provides similarly impressive advantages to IBM and is embedded in the environment as an indispensable tool. Like instant messaging, Web conferencing is set up as an extranet service and is available to both employees and external users. Only employees can schedule Web conferences, but customers and business partners can participate in them. They do not need any special access to join meetings to which they have been invited; they can just click on the meeting URL and enter the password to join in.

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Web conferencing is part of a suite of e-meeting services IBM provides for its employees, which also includes Webcasts and audio and video conferences. But Web conferencing is by far the most heavily used. There are roughly 1,000 Web conferences per day, involving 5,000 participants and ranging in size from small group or team meetings to division- or company-wide gatherings. Web conferences are most frequently used for sales and technical training, team project work, new product introductions and for conveying updates and strategic direction at all-hands events. Web conferences help get everyone on the same page no matter where or how they work.

A pay-per-use funding model is used in which charges are generated back to the departments of the meeting moderators. Fees are based on the lengths of meetings and numbers of participants, and they are nominal—similar to a per-minute charge for using a phone. This model gives IBM fine control over who is using the services and extensive usage statistics, plus helps in managing IT costs.

Web conferencing delivers return on investment

Teams and groups need to be able to meet without unnecessary time loss and the inconvenience of travel, whether the members are distributed locally or globally. The availability of Web conferencing reduces the need for co-located work and helps to improve meeting effectiveness while reducing travel and related costs. The cost savings for IBM are significant. It has been estimated that Web conferencing helps IBM avoid about US\$8 million per month in travel costs, or about US\$96 million annually. This estimate using figures from 2006 was based on number of meetings a year requiring travel, average number of participants per meeting, percent of people who would travel if there were no other option, price of travel per person, and average travel savings per month. Productivity enhancements from avoidance of travel and support of mobile workers were also taken into account.

As with instant messaging, it costs IBM a small fraction of this amount to run the Web conferencing service. So just in this one small area—reducing travel—Lotus Sametime Web conferencing can deliver a dramatic return on investment. Added to that are the cost benefits that stem from greater meeting effectiveness and support of mobile workers.

Lotus Sametime 7.5.1 unifies communications and collaboration

IBM is currently upgrading to the Lotus Sametime 7.5.1 release. More than an application, Lotus Sametime is the software platform upon which the IBM Unified Communications and Collaboration (UC$^2_{TM}$) strategy is built. A UC^2 strategy makes it simple for people to find, reach and collaborate through a unified user experience.

Lotus Sametime 7.5.1 is an open, extensible platform that in addition to security features and enhanced instant messaging and Web conferencing capabilities, offers integrated VoIP within the enterprise, location awareness, managed interoperability with supported public instant messaging networks, mobile clients, integration with Microsoft Office and Outlook® software, and telephony and video integration. These capabilities can be further integrated within business processes and line of business applications. This ubiquitous access through deep integration of the communications and collaboration environment facilitates a global, collaborative culture by making it simple to locate expertise, innovate and make collective business decisions—all while reducing the cost and time required to bring the right people together.

IBM targets specific gains with Lotus Sametime upgrade

IBM's upgrade to Lotus Sametime 7.5.1 software is spurred by several immediate objectives. A primary driver is the need to standardize on a single supported instant messaging client that meets the needs of the business. Standardizing on a single version of the Lotus Sametime client is also a more cost-efficient way to operate, and provides capabilities from leading networking and communications Business Partners that support the IBM UC^2 strategy.

A second driver is the extensibility of the Lotus Sametime 7.5.1 client. Built on Eclipse and Lotus Expeditor technology, this open platform will enable new solutions incorporating tightly integrated capabilities from IBM's UC^2 industry Business Partners, who are leaders in networking and communications. The extensible platform also lets internal developers create plug-in applications to address IBM-specific business needs without going back to the Lotus product developers and requesting new features in the Lotus Sametime product.

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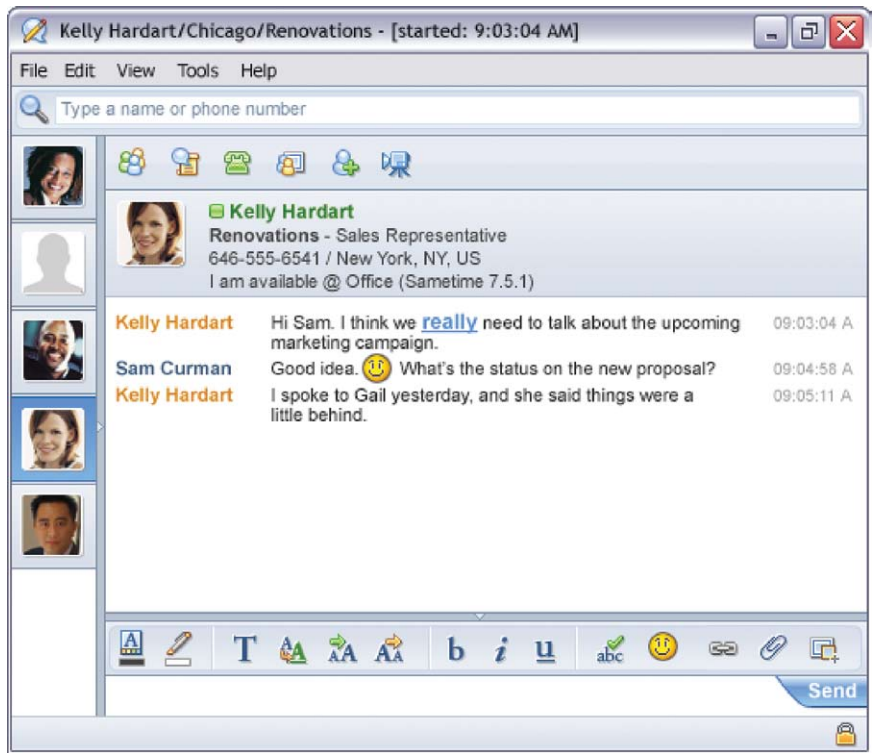
Instant messaging makes it easy for employees to chat with colleagues within the organization, and contact lists can include pictures, so you can see the people you're talking to.

Support for multiple clients is another important consideration. In addition to Microsoft Windows, the Lotus Sametime 7.5.1 client supports the Linux® (in line with the IBM open client initiative) and Apple Macintosh operating systems, which allows the many IBM employees who use these operating systems to use a local Lotus Sametime client.

Improved support for the users of mobile devices is equally important as more and more IBM employees rely on them to conduct business. IBM Lotus Sametime Mobile provides out-of-the-box mobile support for the full Lotus Sametime 7.5.1 environment, letting users take the functionality with them wherever they go. This gives traveling employees the same access to instant messaging as office-bound staff, and the security features enable them to share sensitive information comfortably from their mobile devices.

In terms of Web conferencing, the enhanced user experience in the Lotus Sametime 7.5.1 release addresses needs identified by employees who participated in the IBM internal early adoption program, a testing ground for new technologies. With its drop-down menus and intuitive display of features, the new Web conferencing interface simplifies management of options and settings, making it easier for users to get up and running quickly. The improved application sharing and performance are also key and will help IBM keep costs down without adding more infrastructure.

IBM is moving up the UC[2] path and enjoying benefits

IBM users and internal developers have already created a number of plug-ins and client applications that integrate with Lotus Sametime 7.5.1. The best example involves IBM's corporate directory, "Blue Pages," a Web-based application that has been integrated with Lotus Sametime. If a user looks up someone in the corporate directory and then wants to talk to him, she can instantly see if that person is online and start a chat session right from the Web browser. Conversely, a user can access Blue Pages from within Lotus Sametime; a right click on a contact in the user's Lotus Sametime "buddy list" will bring up a full Blue Page record lookup on that individual.

A second plug-in for enhanced audio conferencing coordinates the user's phone and PC for a simpler and more convenient user experience. A third is for a voice suite that offers voice over IP from within the Lotus Sametime client so that users within the enterprise can switch seamlessly from instant messaging to voice conversation within the same session. All three of these plug-ins are bundled with the Lotus Sametime client now being made available to IBM employees. Employees can also install and use any of the 30 other plug-ins that currently exist, and they are invited to develop additional ones. An update site keeps users current on what is available. Says Pepin, "The open programming model enables incremental enhancements to Lotus Sametime via plug-ins without the need to push out an entirely new client every time we want to deliver new functionality. This is a huge productivity benefit for us—plus, it's less disruptive for the user community."

Near future plans to extend IBM's own implementation of the UC[2] strategy include an internal pilot of the IBM Lotus Sametime Unified Telephony offering and work on a plug-in that will allow users to schedule Web conferences directly from their Lotus Notes calendar.

As for how matters stand at present, Pepin summarizes: "The flexible options of instant messaging, Web conferencing and voice over IP give users the freedom to choose the mode by which they communicate in real time. Costs are down, customer satisfaction is up and people are more productive."

For more information

For more information on IBM Lotus Sametime, please contact your IBM sales representative or IBM Business Partner, or visit **ibm.com**/sametime