

Microsoft rounds out voice assault

Microsoft OCS R2 accelerates move of voice to software

By John Fontana, Network World, 02/05/2009

Nearly 16 months after launching its unified communications platform and taking aim at replacing the venerable PBX, Microsoft now has the technology in its Office Communications Server that could change corporate telecom forever.

With last week's official release of OCS 2007 R2, Microsoft filled in some important gaps in its voice platform with a SIP trunking capability and a console for operator assisted call routing. The company also added some conferencing enhancements and API improvements. SIP trunking lets OCS connect VoIP services directly to Internet telephony providers, eliminate the need for separate voice and data trunks, and provide a viable alternative to the PBX.

While some advanced features are still missing from OCS's voice side, such as 911 location services, experts say Microsoft no doubt has laid down a solid foundation for not only corporate users but its own future voice developments and those of partners.

Microsoft, however, isn't poised for a quick strike on competitors and corporate users. Analysts say it could be a five-year evolutionary process that brings the company from its infancy in the telecom market to a top-tier position in enterprise voice along side of, or displacing, such giants as, Alcatel/Lucent, Avaya, Cisco, NEC, Nortel and Siemens.

"I don't see OCS as an immediate threat to telephony vendors, including Cisco, but OCS is certainly causing corporate voice architects to pause," says Mark Cortner, a senior analyst in the network and telecom strategies unit at the Burton Group. "But there is no doubt in my mind that Microsoft has an aggressive goal for the role it will play in telephony."

He says Burton Group's clients are being more cautious and deliberate with their on-going investments around the IP PBX now that Microsoft is focused on voice, which is creating more competitive overlap with telephony providers.

Cortner says despite Microsoft's current short list of OCS deployments that OCS's voice capabilities are still very fresh into the early-adopter stage.

Nonetheless, the awareness of SIP trunking and the possibilities for efficiencies and cost savings are catching notice.

Nemertes Research reported this week that early results of its Advanced Communications Services research show 65% of organizations are using or plan to use SIP-trunking services somewhere in their network.

SIP trunking helps users streamline or eliminate costs associated with desktop handsets, PSTN trunks, and voice support for mobile and remote workers.

Microsoft last week announced Global Crossings and Sprint as two qualified service providers for SIP trunking.

Early adopters say those partnerships and SIP trunking support help Microsoft position OCS as an option to satisfy corporate needs, especially in Microsoft shops that can integrate OCS as part of the vendor's unified communications platform.

Gold Systems in Boulder, Colo., which helps companies build bridges between telephony and software, has nearly completed its own in-house swap out of its voice system for OCS.

"The milestone here is this is now a mature product," says Terry Gold, the company's CEO. "Companies can look at this and say Microsoft is serious here. Microsoft is throwing down the gauntlet. This is a viable alternative."

Gold admits that it is still early-adopter days for his clients, who he says are more the larger corporations who are replacing branch office PBXs.

"Companies tend to have a PBX at every location and people who tend to those expensive pieces of hardware. Company's don't do it that way with the rest of their enterprise software," Gold says.

One large customer, who is not working with Gold but is also adopting OCS internally is Sprint.

Mike Browne, vice president of client services, says the company will eventually replace nearly 500 PBXs around the globe. He also ticks off savings including \$240,000 annually with OCS rolled out to some 3,000 employees so far, and \$5 million by eliminating handset replacement and going to soft phones and headsets.

"Across the board those are significant savings," Browne says.

The soft phones also ensure that mobile workers always have their "desktop" phone with them regardless of where they are working with their laptops.

"We pretty much augmented our existing Microsoft infrastructure by adding OCS servers," Browne says. "We put them in our switch centers." And security is built around existing domain controller-based ID and certificates for two-factor authentication.

But Gold and Browne both realize that OCS still has some wrinkles to smooth out.

Both say OCS is missing the ability to do complex automated call distribution (ACD), a system typically used in call centers that routes incoming calls.

"They have a long way to go there," Browne says.

Gold says Microsoft has to qualify more SIP trunking providers and the company needs a stronger integration story so companies not willing to rip out their PBX are comfortable it can co-exist with OCS.

"They'll have to stand behind the integration of OCS and the PBX," Gold says.

Microsoft's new era in voice

With the release of Office Communications Server 2007 R2, Microsoft has added a SIP trunking gateway that is the final major milestone in completing a story around moving the PBX to software.

Key additions

- **Session Initiation Protocol (SIP) trunking:**
Brokers connection between OCS 2007 R2 IP telephony and the public-switched telephone system and provides services such as dynamic call routing. Microsoft has two qualified SIP trunking service providers in Global Crossing and Sprint.
- **Attendant console and delegation:**
Software gives operator ability to receive and route incoming calls/conferences to users.
- **Dial-in audio conferencing:**
A bridge that lets users dial in and join conference using a pin number.

Work left to be done

- Deeper application and workflow integration, including with Web-based Office applications coming with Office 14.
- Call center capabilities need improvement, especially addition of automated call distribution (ACD) for complex call center operations. Voice/video conferencing needs to improve to support more concurrent users.
- Build a reputation for trust and security in the voice market and prove worth over Cisco, IBM, Nortel, Avaya and others.

The Burton Group's Cortner says Microsoft needs to add emergency location services so companies can pinpoint where a call is originating from, and add "remote location survivability" features so branch offices don't lose phone service.

"The IP telephony systems of today can deliver those capabilities, so from an enterprise telephony perspective OCS is still a work in progress," Cortner says.

Microsoft for its part says it will leave some of that work up to third-parties.

"We have done the basic ACD stuff in R2, but we will look to partners to build scale into call center scenarios," says Yancey Smith, director of product management for Office Communications Server.

Smith also says the 250-person cap on OCS audio conferences, which he says covers about 99% of meetings, would remain and that Microsoft sees "a partner opportunity for a super large-scale moderated conference feature."

Microsoft has already given partners and independent software vendors tools via OCS integration with Visual Studio 2008 and a set of building block templates offered on its Web site.

And Microsoft introduced with OCS 2007 R2 its Unified Communications Managed API 2.0, which moved voice and video into a single API.

It will take all Microsoft can muster, including relying on corporations current Microsoft collaboration software investments to help sell OCS as the final piece of the puzzle.

Competition on the unified communications front will come strongest from Cisco with its CallManager and WebEx Connect duo of on-premises software and online services, and from IBM, which is partnering with telephony players and planning the 8.5 release later this year of its popular Sametime real-time communications platform.

But some experts think Microsoft has a big advantage. "They are not a traditional VoIP player, but they can tightly couple OCS with software such as Office, Exchange, SharePoint, SQL Server and Windows Server," says Mitchell Ashley, principal consultant at Converging Network and a Network World featured blogger. "The others have to do those types of integrations separately."

And Ashley says the emerging Live Mesh and Live Framework technology will eventually introduce synchronization of data across multiple applications.

"What R2 does is let Microsoft go full forward against the likes of Cisco and the traditional PBX providers," he says.

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