

FROST & SULLIVAN

AVAYA

2022 COMPETITIVE STRATEGY LEADER

*NORTH AMERICAN GOVERNMENT
COMMUNICATIONS, COLLABORATION
AND CUSTOMER EXPERIENCE
SOLUTIONS INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Avaya excels in many of the criteria in delivering compelling communications, collaboration and customer experience (CX) solutions to government organizations.

AWARD CRITERIA	
Strategy Innovation	Customer Impact
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Strategy Effectiveness and Execution

Government organizations have been on digital transformation journeys for a couple of decades. However, they have lagged behind their counterparts in other industry sectors due to more stringent security, compliance and integration requirements. It wasn't until the COVID-19 pandemic that many government agencies accelerated some of their information technology (IT) and communications upgrades to address new challenges. The shift to remote work compelled government organizations to find new ways to support internal and inter-agency collaboration; address increased inbound citizen interactions; maintain effective contact with contractors, partners and citizens; support community outreach programs; and ensure overall operational continuity.

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- Elka Popova, VP of Connected Work

Digital technologies, including cloud communications, collaboration and CX management tools, provide the means for such organizations to cost-effectively scale operations and support emerging workflows (e.g., vaccination programs, COVID-19 tracing and containment). Forward-thinking organizations have even started extending their initial cloud services deployments beyond the urgent pandemic-driven use

cases to pursue broader, long-term goals, such as improving diversity, inclusivity and participation in different government activities and programs. This includes leveraging cloud collaboration solutions to reach community members who couldn't previously attend city council meetings, court proceedings, school board meetings and other events due to budget, time or accessibility constraints. Other examples include digitizing a variety of application processes and citizen interactions to lower costs and provide better services to the population.

Avaya has been building a strong portfolio and an effective strategy for the government vertical for decades and is well prepared to address the rapidly evolving requirements of the diverse organizations in this sector. Solid performance metrics attest to Avaya solutions' appeal to government organizations. Avaya reports having the largest unified communications (UC) installed base in federal government, and working across the public sector market to assist agencies in migrating to more flexible, scalable, reliable, and secure cloud solutions. Since cloud architectures enable greater agility during crises and in the face of unforeseen circumstances, Avaya reports having substantial and continuing success in assisting public sector customers migrate to its cloud solutions. Also impressive, Avaya reports that an overwhelming majority of US federal agencies, Department of Defense (DOD) organizations, and US states are using Avaya communications and collaboration solutions. Publicly shared case studies include Harris County (automated outbound notifications and voter registration using OneCloud CPaaS) and Leon County (modernized communications and collaboration to better support mobile and remote users), Round Rock School District (emergency notifications using OneCloud CPaaS), US Social Security Administration (upgraded contact center and UC) and NG911 for Canadian PSAPs.

Key pillars of Avaya's strategy in the government vertical include its robust solutions portfolio; organizational structure focused on the unique requirements in this sector; continued innovation; key certifications; effective partnerships; and access to various government contract vehicles. Avaya continually invests in developing innovative solutions and identifying opportunities to deliver ever-greater value to government organizations. The technology developer's increased focus on cloud communications, collaboration and CX management solutions, as well as communications platform-as-a-service (CPaaS) capabilities, programmable communications and composable user experiences is likely to position Avaya for further success among government organizations.

Competitive Differentiation

Government agencies have a lot in common with organizations in other verticals when it comes to adopting communications, collaboration and CX solutions. In 2021, according to a global Frost & Sullivan survey, dealing with COVID-19 challenges was a top priority for IT/telecom decision makers across industries and geographic regions, with 41 percent of respondents from government organizations ranking it among their key business goals. Also, similar to other surveyed organizations, government respondents identified dealing with security concerns and systems integration/managing multi-vendor solutions as their top IT challenges. However, in the government vertical, these concerns are more prevalent with 41 percent and 35 percent of respondents, respectively, selecting these options versus 31 percent of non-government IT/telecom decision makers selecting the same. Customer satisfaction rates rank as the top metric to measure digital transformation success across verticals, with 46 percent of government IT/telecom decision makers selecting that option versus 43 percent across total

respondents. Cyber security ranks as the top technology investment priority in 2021 and 2022 for 50 percent of respondents, including those in the government vertical. Security and reliability are also the top cloud provider selection criteria, with 47 percent and 42 percent of government decision makers choosing these options versus 46 percent and 41 percent of respondents across verticals.

Unlike most competitors, Avaya's commitment to the government vertical starts with its internal organization, which includes dedicated resources to federal, state and local government and education. Avaya government teams include sales, marketing, finance and engineering staff with considerable experience in managing IT and telecom solutions within government organizations and/or delivering solutions as part of technology companies.

Avaya's significant investments in the areas of cloud communications, collaboration, CX, security, compliance certifications, artificial intelligence (AI), application programming interfaces (APIs) and programmability enable it to effectively address government organizations' main concerns and digital transformation objectives. It stands out among technology solution providers with its extensive portfolio of cloud and premises-based solutions, communications endpoints, infrastructure and professional and managed services capabilities. This enables Avaya to provide a one-stop shop to many government organizations, as well as more effectively manage technology transitions and hybrid environments. Few competitors can provide a portfolio that comes even close to Avaya's capabilities. The vast majority of cloud service providers, for example, do not develop their own phone devices or premises-based solutions and lack the skills and expertise to manage these when part of complex environments characteristic of many government agencies.

Avaya OneCloud is the vendor's flagship solutions portfolio for government organizations and other businesses embracing cloud solutions as the foundation for their digital transformation going forward. Avaya OneCloud comprises public and private cloud solutions suitable for different government customers and, frequently, for different parts of the same government organization. Avaya Cloud Office, based on RingCentral's industry-leading UCaaS solution is empowering Avaya to rapidly migrate many existing, as well as new customers to flexible, economical and feature-rich public-cloud services.

However, unlike most competitors, Avaya is uniquely positioned to satisfy stringent security, compliance and integration requirements within the government vertical with its private cloud solutions based on its mature and vetted Aura architecture. Tailored specifically for this customer segment, Avaya OneCloud for Government solutions are based on a virtual private cloud with dedicated software instances; pre-defined data centers; a UCaaS reference architecture and Avaya OneCloud for Government CCaaS; Health Insurance Portability and Accountability Act (HIPAA) and Payment Card Industry (PCI) compliance; and FedRamp moderate-compliant (with FedRamp high-impact pending) certification. Furthermore, Avaya solutions feature Joint Interoperability Test Command (JITC) certifications, Telecommunications Security Group (TSG)-certified handsets and Trade Agreements Act (TAA)-compliant software and hardware—all not very common capabilities among communications vendors. Enhanced E911 capabilities allowing emergency services to identify caller's exact location enable Avaya and its government customers to comply with the latest regulations (e.g., Kari's Law and Ray Baum's Act).

Customer Purchase and Ownership Experiences

A key challenge government organizations face is the need to protect their existing communications, collaboration and CX technology investments. With over 10 million call control seats installed in the US government sector alone, Avaya is uniquely positioned to enable a smooth cloud migration for US government organizations. Some of Avaya's most compelling cloud migration capabilities include tailored configuration tools; ability to continue using existing devices and infrastructure (gateways, session border controllers (SBC), etc.); multiple (private, public and hybrid) cloud architecture options, and differentiated Avaya OneCloud Subscription programs allowing businesses to place both premises-based and cloud solutions under a single OPEX plan. Avaya reports having saved government organizations 10s and 100s of millions of dollars by helping them preserve certain existing investments (e.g., desktop phones), while migrating solution management and other capabilities to the cloud.

Avaya's vision for government and other public sector organizations is based on the acknowledgement of the rising importance of the experience economy and the aspiration to enable a total experience—personalized, full-featured and effortless. Avaya OneCloud communications portfolio is comprised of Avaya OneCloud CCaaS, Avaya OneCloud UCaaS, and Avaya OneCloud CPaaS solutions enabling integrated and composable user and agent experiences. Avaya's full-featured UC client supports consistent enterprise user and agent experiences across PC, Mac, iOS, Android and Avaya Vantage devices. A common platform for communications, CX management and CPaaS services enables Avaya to leverage APIs, AI and common administrative capabilities to deliver excellent value to customers. Throughout the pandemic, Avaya's leverage of differentiated CPaaS and APIs enabled it to address new use cases such as:

- The need to alert citizens of emergency situations (pandemic cases, weather conditions)
- New health and safety procedures based on social distancing tracking and contact tracing
- Vaccine storage monitoring and alerting
- Two-factor authentication (which became even more critical with the shift to remote work)

Avaya's open and extensible platforms also enable the provider to integrate its solutions with other common productivity, communications and business applications and services deployed in government organizations. For example, it recognizes that many government agencies have invested in Microsoft 365 and Teams and provides several options for customers to integrate both technology stacks (e.g., via Direct Routing for Microsoft Teams or client-level integration). It also integrates with popular customer relationship management (CRM), enterprise resource planning (ERP) and case management solutions.

Avaya also stands out among competitors with its robust professional and managed services expertise. Government organizations frequently require assistance with designing, customizing, integrating and managing their communications, collaboration and CX solutions. Avaya's extensive experience with digital transformation projects positions it prominently to support a smooth transition for government agencies adapting to the new ways to work and engage with citizens.

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Brand Equity

Avaya’s powerful heritage as the world’s leading enterprise telephony, unified communications (UC) and contact center solutions provider instills confidence in government organizations looking to upgrade their infrastructure and digitize important workflows. Avaya enjoys a strong reputation for solution security, reliability, scalability and extensibility. With more than 100,000 global customers, including 90 percent of the Fortune 100 and 95 percent of the Fortune 1000, Avaya’s pedigree and brand equity are unmatched by most other technology providers. Avaya’s strong financial

performance in recent years and accelerated pace of innovation further solidify the vendor’s reputation as a desired digital transformation partner.

Conclusion

Avaya has committed considerable resources to deliver compelling solutions and excellent value to North American government organizations. A rapidly evolving cloud communications, collaboration and CX solutions portfolio, enhanced by flexible APIs, CPaaS and programmability enables Avaya to deliver composable solutions that deliver compelling experiences to government customers. Since these solutions are backed by robust professional and managed services, and differentiated adoption programs they are also highly secure and reliable, positioning Avaya for continued success in the government vertical.

With its strong overall performance, Avaya earns Frost & Sullivan’s 2022 North America Competitive Strategy Leadership Award for communications, collaboration and customer experience (CX) solutions designed for the government vertical.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

