

INSIGHT

Polycom Global Services

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IDC OPINION

In this Insight, IDC examines the Polycom Global Services program. Technological advancements in Polycom's product portfolio will drive Polycom to continually examine and expand upon its existing services offers. As Polycom moves forward into immersive telepresence and the adjacent unified communications spaces, Polycom must continually fine-tune the technical expertise and the routes of services sales and delivery for its customers and partners. Key services strategies include:

- Creation of immersive telepresence services with a choice of management options for customers and partners
 - Focus on UC solutions and advanced professional service offers to support this direction
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IN THIS INSIGHT

This IDC Insight examines the Polycom Global Services strategy and future direction. Continual refinements and upgrades in the services offers along with a formalized life-cycle approach will allow Polycom to remain competitive and integral for its customer's and partner's audio- and videoconferencing solutions success.

SITUATION OVERVIEW

Polycom Global Services comprises four main services areas: Support Services, Professional Services, Learning Services, and Immersive Telepresence Services. Services are delivered by a team of service professionals globally with regionally based call centers, parts depots, and learning centers. Polycom Global Services contributes approximately 15% to Polycom's total revenue, with the lion's share coming from support/maintenance services.

Support Services

Polycom Support Services make up the lion's share of Polycom's services portfolio, accounting for approximately 80% of services revenue. Maintenance services, primarily break/fix services, are offered in two levels: Elite and Premier Plus. These programs are tiered levels of break/fix services, with Elite services delivering an increased level of customer support including direct customer service line, a dedicated support manager, and special reporting. Maintenance programs are sold

either direct or through Polycom's channel partners. As of November 1, 2009, all video products sold via the channel are now required to have maintenance support contracts attached to the sale. Partners can resell Polycom maintenance services or offer them partner branded. If partners choose to offer maintenance services using their own brand, they must complete the requisite training and achieve a certified service provider (CSP) badge. This certification is offered through Polycom Learning Services.

Professional Services

Professional Services offered by Polycom provide the largest breadth of services in the suite and account for approximately 12% of services revenue. Services offered cover the full network life cycle of services including planning, design, and deployment, as well as other professional services specific to audio- and videoconferencing such as high-definition readiness and wireless network assessment services. The latter of these two services, one of Polycom's most requested services, ensures customers have required wireless coverage and mapping of the wireless network.

A new professional service Polycom now offers, entitled "Go Green," provides an assessment of an organization's CO₂ emissions generated by business travel compared with ROI generated from utilizing teleconferencing and videoconferencing solutions. While not utilized as frequently as the other services in the Professional Services portfolio, it provides an interesting service offer that is unique to this space.

Immersive Telepresence Services, the newest of the service offers, combines technical expertise from professional services along with services specific to telepresence solutions. The service provides end-to-end resources including consulting, project management, network readiness, design, implementation, and maintenance. Additionally, video network operations center (VNOC) capabilities are offered, allowing customers to have their video solutions fully or partially managed depending on the skill and availability of their own internal IT resources.

Immersive telepresence solutions require scalable and reliable managed services capabilities, and Polycom has partnered with two third-party organizations to help provide managed services to customers. Glowpoint and Iformata both provide managed capabilities including monitoring, reporting, fault management, and full concierge services. Channel partners can also resell the Polycom managed services in collaboration with their own services. Polycom believes that as its partners increase their managed services skill and offers over time, they will begin to offer their own VNOC services and resale of the Polycom VNOC services will decline over time.

Other services that complete the Professional Services offer include Network Assessment services, Network Consulting services, High-Definition Readiness services, Wireless Network Assessment services, Best Practice and Benchmarking services, and Managed and Hosting services.

Learning Centers

Polycom has developed formalized training for end customers to ensure smooth adoption of the audio- and videoconferencing technology. Polycom has found training and education leads to increased end-user productivity while increasing customer satisfaction and ultimately ROI. Polycom offers a full suite of end customer and partner education and training services in the following areas:

- ☒ CVE training
- ☒ Technical training
- ☒ End-user training
- ☒ Customized training
- ☒ Certification tracks

FUTURE OUTLOOK

Unified communications, by nature of the complexity of the solution, will require a more holistic approach to the network. As enterprises increase their interest and focus on UC, professional services will play a more significant role in the sale and the successful adoption of the technology solution. Audio and videoconferencing solutions are becoming increasingly essential to an overall UC solution, and having a higher-level business transformation discussion at various levels throughout an organization will be essential to the adoption of more sophisticated audio- and videoconferencing solutions.

While Polycom's solution sales are primarily product led and the services are pulled through with the sale, IDC believes that as Polycom's product suite increases in complexity, as with Polycom's high-definition and infrastructure products, the attach of services will become much more integral to the sale. Over time, Polycom's services will become a much larger component of its revenue mix and potentially lead the conversation versus being attached to the discussion. IDC believes Polycom's increased focus on developing higher-end professional services, and continuing to deliver them in a collaborative model, will help Polycom differentiate itself to end customers as well as its channel partners.

The competitive universe for Polycom has significantly consolidated over the last year, with the pending acquisition of Tandberg by Cisco and the close of the sale of Lifesize by Logitech, leaving proprietary Halo to be supported by HP. IDC believes that Polycom is uniquely positioned today, that it can deliver a full breadth of audio- and videoconferencing solutions from desktop to telepresence. This breadth of product and associated service provides a unique short-term window for Polycom over the next 12 to 18 months, allowing it to potentially gain market share until Cisco has fully integrated the Tandberg line into its portfolio and will begin to aggressively sell to the market. With sharp focus on leveraging all sales channels for product and services delivery, Polycom should secure itself for the future.

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