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Event: "What's all the fuss about 'unified communications'?" - Dr. Donald E. Brown, M.D., Chairman of the Board, President and Chief Executive Officer of Interactive Intelligence Inc, 12/11/07

1. How does "unified communications" match up to enterprise mobility?
  - A. They go hand-in-hand. It's important to be able to access the communications infrastructure from smart phones and other mobile devices. That's why we've created a version of our client-side software for the Windows Mobile platform and are looking at Blackberry and Symbian as well.
  
2. What is your next great leap beyond the 3.0 platform?
  - A. We have a number of features that will come out in updates for 3.0 over the course of the next year. Primary among them is a complete process automation system including a graphical process designer and dynamic UI (scripting) integrated with Interaction Client. Beyond that, of course, there's a 4.0 with all sorts of improvements in functionality, scalability, and reliability.
  
3. Can you comment on Microsoft Unified Communications Server 2007?
  - A. We're excited to see Microsoft get in the market and bring lots of attention to VoIP and unified communications. Our CIC product can be used in conjunction with OCS or as an alternative.
  
4. What is I3s vision for UC?
  - A. We believe that UC functions best as an enabler for business process automation, as explained in this presentation.
  
5. Who are the top 5 vendors? What are the best practices for migration?
  - A. In our opinion, the top vendors are Cisco, Microsoft, Avaya, Nortel, and (of course) Interactive Intelligence. Best practices for migration depend on the circumstances and goals. We see everything from departmental (e.g. contact center) or branch office deployments to wholesale replacement of legacy voice with voice over IP.
  
6. Are cost effective solutions available to multi-national companies (N/S America, Mexico)
  - A. We have many multi-national companies as customers. One of the beauties of an all-software solution such as ours is that it can be rolled out anywhere around the world fairly quickly and easily.
  
7. Would Dr. Brown provide his personal estimate of the % of the Unified Communication market that will be generally captured by Microsoft?
  - A. I'm not in the position to offer any such estimates. Microsoft will certainly capture a good market share because of their marketing reach and huge installed base. However, not even they can cover all needs in a market as broad as unified communications.

8. Without VoIP can you still have Unified Communications? How?
  - A. Not really. VoIP is pretty much the cost of admission.
  
9. What is "unified communications" exactly? Does it include technologies like Bluetooth, RFID, etc?
  - A. It's a relatively vague term and the definition depends on whom you talk to. I wouldn't lump Bluetooth and RFID in with UC. Typically UC focuses on unified messaging (voice mail and fax in the e-mail inbox), instant messaging, presence, and other collaborative technologies.
  
10. Can you compare Microsoft's and Nortel's Unified Messaging?
  - A. We have a white paper available that goes in depth into our product approach and architecture.
  
11. At what size (e.g. call seats) does centralizing with IP telephony make sense for a company with disparate office requirements?
  - A. It can be done at any size. We have customers that range in size from 20 employees to tens of thousands.
  
12. What vendor solutions are currently available?
  - A. Our CIC product is currently available.
  
13. Is there an inexpensive solution for small businesses?
  - A. We have a product called EIC that is targeted at small and mid-sized organizations looking for IP PBX and unified communications.
  
14. To what extent company should go for unification and how does it matter for big or small company?
  - A. I certainly believe that any size company can benefit from standards-based IP telephony and unified communications.
  
15. What do you think about value prop of Cisco's telegence product line
  - A. It depends on the needs of your organization. Some companies will find greater value than others in technologies such as telepresence. Personally, I think the price tag is hard to justify for most organizations.
  
16. Is Unified Communications something small business should even plan for in 2008?
  - A. Absolutely. Small businesses have been implementing IP telephony and unified communications for several years now. Our EIC product is targeted directly at small and mid-sized organizations.
  
17. Telecommunications have become a commodity; a few new services have had success -- where can the telecom industry innovate?
  - A. I think the real opportunity lies in applying communications technologies such as automatic call distribution to business process automation.
  
18. Does I3 software work with SIP Trunking?
  - A. Yes
  
19. How does your platform scale outside the contact center - across the enterprise?
  - A. We have organizations using our products for tens of thousands of users across the enterprise.

20. How do I3 and others compare with what Microsoft is out selling and how do the solutions fit together?
- A. Obviously Microsoft is relatively new to the unified communications field and has lots of holes left to fill. I3 has been developing communications applications for over a decade and that experience shows in the depth and breadth of the product line. Our products can be added to Microsoft OCS to provide contact center functionality as well as business process automation.
21. Please include a focus on small business
- A. Our products are targeted at organizations of literally any size.
22. What makes Interactive Intelligence's Platform better than Cisco's?
- A. Cisco's products have been assembled through acquisition and are less a platform than a mosaic of semi-independent technologies. This increases the complexity and total cost of ownership. The same core team of developers has been working together at Interactive Intelligence for more than a decade. The result is an elegant platform with a tightly integrated suite of applications, all administered from a single graphical console.
23. How do I maintain my existing investment in PBX and phone hardware without starting all over?
- A. You can certainly use product such as our CIC product to add contact center automation and other unified communications features to an existing PBX. Over time, you can take advantage of more functionality until you someday wheel out the PBX and sell it on eBay, as many of our customers have done.
24. Does ININ use the internet for voice or media interaction? If so how would users manage the unreliable quality of the internet?
- A. We make use of the SIP standard for voice over IP, which means that our product can work over any TCP/IP connection, including the Internet. Of course, we have no control of the quality of service over the Internet, so voice quality is variable. Most of our customers route their voice traffic over their private networks.
25. What are your thoughts on Hosted vs. Premise CC technology
- A. We offer our software in both premise and hosted configurations, giving customers that choice.
26. Where are all the skills coming from to support non-IP PBX solutions "soon"?
- A. We're now on the second or third generation of IP PBXs, so there are lots of trained people around. I don't think there's much of a skills shortage anymore. Also, Interactive Intelligence and other VoIP vendors offer extensive training to anyone with a reasonable networking background.
27. How and when should I approach the move from my existing PBX to VoIP?
- A. You're asking a VoIP vendor! Of course, I have to say "right away" ;-). Seriously, you just have to look at what you need out of your communications system and see whether or not your PBX is providing it. If all you need is dial tone and voice mail, why move? However, more and more organizations are finding that in order to remain competitive, allow employees to be productive no matter where they are, and to automate key processes, they need to move to an IP-based communications platform, ideally with process automation capabilities of the sort provided by our CIC product.
28. Process Automation reminds me of the first uses of the computer. I like to view Process Improvement as a much higher goal for ROI. How do you feel about that?

A. Automating processes is generally how you improve them. I'm talking about business processes (e.g. handling incoming leads, doing performance reviews, managing time-off requests, etc.) - not manufacturing processes. The whole idea is to automate these processes instead of handling them in spreadsheets, e-mail, and other informal tools. This sort of automation can greatly increase efficiency and cut costs.

29. Has I3 announced when 3.0 is going to be released?

A. I don't know that it has been announced, but the product is being released to manufacturing next week and should thus be available by the end of the year!

30. What about Strategic Alliances to deliver Applications. What do you see as the differentiation in presenting to client key stakeholders the concept of Unified Communications verses Unified Communications *and* Collaboration?

A. I'm not sure I completely understand the question. The point of my talk was that it's possible to add complete process automation capabilities to an IP communications platform - which is exactly what Interactive Intelligence has done. I tried to make the point that it's much easier to cost justify process automation than the soft benefits of unified communications.

31. Will UC work with any PBX Vendor?

A. Yes, integration can be done to just about any legacy PBX. However, it's often more of a pain than it's worth and many organizations are installing complete IP PBXs such as Cisco's Call Manager - or Interactive Intelligence's CIC.

32. Does it require a lot of network traffic when using VoIP?

A. The amount of network bandwidth used by voice traffic depends on the codec used. G.711 is a standard uncompressed codec that generates roughly 80 kbps. G.729 is another that generates less than half the traffic. G.729 is generally used on low-bandwidth links (e.g. for WANs).

33. You mention that you can't use decentralized UC to gain real benefits, only a soft ROI. How do you achieve real ROI without using a single enterprise vendor offering and not be tied down to that single vendor? An example of real, relevant product solutions would nice.

A. You're right that I'm arguing for a more centralized approach to UC in order to gain the real benefits. However, I'm also arguing that such a vendor should support the SIP standard and allow organizations to choose their own phones, gateways, and other devices rather than force proprietary solutions on them. Interactive Intelligence has a comprehensive software platform that functions as IP PBX, contact center automation, and UC suite (unified messaging, text chat, etc.). In addition, we have added complete process automation capabilities including a graphical process designer. Yes, all this comes from a single vendor - which I feel is a major virtue. Yet that vendor (Interactive Intelligence) supports the SIP standard so that you can choose your own SIP devices such as Polycom or Cisco phones.

34. What about reliability? Does the I3 product rely on spinning media? I3 vs. ShoreTel. What are the differences? How does I3 function in a virtual environment? Thanks Cogentes and Dr. Brown! Dr. Brown, thanks for the webinar. What do you think of the push for some manufacturers pushing off features onto the phone? Does it take away from productivity?

A. I3 is a software company and always has been. ShoreTel follows more the classic vertical integration of pattern of Avaya and the other traditional telecom vendors - you buy a specialized server, ShoreTel phones, etc. With Interactive, our software goes on industry-standard PCs and you use SIP

compliant phones from vendors such as Polycom. We don't worry as much about phone features as the traditional guys do. More of our effort goes into the interface that runs on the PC, laptop, or smart phone. As a software-based solution, our reliability is excellent and we provide complete redundancy for the so-called five nines of reliability. We are just now moving to test and support VMware and other virtualized environments.

35. How can you implement QoS for remote VoIP users?
- A. If they're connected via a private WAN, you can easily configure the network to implement QoS over the WAN links. If they're connected via the public Internet, you're pretty much out of luck and will be subject to whatever quality of service you can get over those public links.
36. In your opinion, Dr. Brown, is this your personal perspective or do you think the industry will follow this direction? Microsoft, for example, does not seem to have the same vision...
- A. This is my personal perspective. The industry is broad enough to have currents moving in different directions simultaneously. I think it's great that customers have choices. Some customers will love the idea of buying completely into Microsoft's vision and living in an all-Microsoft world in which communications is largely peer-to-peer. Others will be reluctant to be locked into all of Microsoft's products. Still others will demand the more centralized model that we espouse because they want the control, security, and reporting that such a model makes possible.
37. What do you expect the impact of Microsoft to be on the IP PBX and the concept of UM
- A. Microsoft is making everyone realize that VoIP and unified communications are ready for prime time. They are validating the concept of a software-based IP PBX of the sort that we have been delivering for years.
38. What is the timeframe that ININ expects that their application is ready to go to market? What does ININ expect from her partners, what kind of partners, sort of skills etc?
- A. We've been selling our solutions since 1997 and have hundreds of partners and thousands of customers around the globe. What's new is that we're building process automation capabilities right into our core communications platform.
39. To the extent that UC is the complete integration of IT, applications, and communications functionality and infrastructure, how can that level of integration be achieved without "locking into" a single vendor solution? How can a multivendor solution really achieve interoperability and unification?
- A. By making sure all your vendors follow the SIP standard and allow you to choose whatever phones, gateways, and other devices you like.
40. I am having a hard time visualizing the benefits of UC in practice. Can you give an example how you have used it in your company.
- A. The most concrete benefit example of UC is in the contact center. Customer interactions coming in by phone, fax, e-mail, or Web can be queued and routed to the next available agent. The same technology can be used to queue and route incoming prospect inquiries to the next available marketing person - even though Marketing really isn't a contact center.
41. Since your comment at the beginning of the presentation was to beware of using UC because of a single vendor locking you to proprietary protocols what is your advice for best practices in order to not get "locked down" with a vendor. Thank you for your question.

- A. Select a vendor that strictly adheres to the SIP standard and allows you to use third-party SIP components (phones, gateways, etc.) that the vendor doesn't supply.
42. Who is developing the software for the business process automation under an open standard environment?
- A. We at Interactive Intelligence are adding complete process automation tools to our SIP-based communications platform.
43. What are some examples of business process automation using UC for SMBs?
- A. As for process automation, just think of a process. One example I used was an insurance company taking applications over the Web. A potential customer fills out a Web page and clicks "Submit". This creates an XML object in the "Submitted" state for the process. The next step might be to use a Web service call to do a credit report and add the information to the XML object and change it to the "Credit History Obtained" state. It might then be put into a queue for a team of underwriters. The next available underwriter would pick up the application and give it some sort of numeric rating. It would automatically move to the "Rated" state. From there it would go on down whatever process path had been defined. You could take the same approach to HR processes (e.g. benefit changes, annual reviews, time-off requests, etc.), marketing processes (e.g. requests for information, etc.), and any other you can think of.
44. What industries are using UC and what are the triggers for IT leaders and business leaders to considering UC?
- A. Virtual every industry is moving to VoIP and unified communications. The point of my presentation was that the exciting trigger is process automation - using a platform such as our CIC product to not only act as the organization's IP PBX, unified communications system, and contact center platform, but also serve as the foundation for automation of key business processes.
45. Microsoft will eventually get to a large business VoIP capability and maybe someday Contact Centers. What about this working with Cisco Infrastructure?
- A. It already does and has for years. Our products can be implemented in conjunction with Cisco Call Manager.
46. How do wireless workers fit in to the UC model?
- A. Via smart phones. We already have a software client for Windows Mobile devices and are looking next at Blackberry and Symbian.
47. Is I3 working with the Open Handset Alliance and Google's Android? What would drive a business to hosting versus premise based? Does I3 host?
- A. Not yet. So far we've concentrated on creating a software client for Windows Mobile devices. Next we're looking at Blackberry and Symbian. The Google Android initiative is interesting, but it won't even be available until next year.
48. We have implemented a Cisco VoIP system approximately 15 months ago. Can a Cogentes/I3 system compliment that Cisco implementation to the extent we can achieve the effective UC you illustrated today?
- A. Yes, an Interactive Intelligence system can be added to a Cisco Call Manager implementation to provide all sorts of capabilities including unified communications, contact center, speech-enabled IVR, process automation, etc.

49. In a future where UC is part of business process automation, what role do you envision email playing?

A. Hopefully very little. E-mail is an extremely poor medium for structured communication.

50. What separates ININ's I3 product from Aspect Software's Unified IP Contact Center Solution? Thank you. The information provided was great!

A. Aspect is a company created through multiple acquisitions - Rockwell, Davox, Melita, etc. As such, its product is more of a confederation than a suite - multiple points of administration, etc. In contrast, our suite is completely home-grown - designed and implemented over more than a decade by the same team. This allows us to have a single administrative interface, a single customization tool, a single supervisory console, etc. for the entire product line.

51. Do you see the SIP world that is now handling Voice and Video start to adopt policies that would enable terminal services for total central call management and application management?

A. Absolutely. Many of our customers use Citrix and Terminal Services already today.