



2013 North American Unified Communications
Server Virtualization Product Leadership Award



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

Product Leadership Award Unified Communications (UC) Server Virtualization North America, 2013

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year of business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360-Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2013 North American Product Leadership Award in UC Server Virtualization to Mitel.

Significance of the Product Leadership Award

Key Industry Challenges

Communications technologies are evolving rapidly and more customers are recognizing the business value that unified communications (UC) can deliver. However, the cost to acquire, install, maintain, and operate the numerous proprietary hardware servers to support the myriad applications in the UC stack has encumbered widespread customer adoption.

More than six years ago, leading UC vendors began to migrate from proprietary hardware to software platforms running on top of industry-standard Linux-based servers and appliances. Among other drivers, the initiatives were designed to help reduce the cost and complexity associated with the physical hardware components required to support increasingly sophisticated UC solutions. The appliance-based UC server architectural model has in fact, offered a certain level of relief to customers wanting to implement next-generation communications functionality. However, this architectural model and its benefits also have limitations due to the complexity and processing-intensive nature of real-time communications software.

Top-tier vendors have taken the next step to lower the expenses and complexity associated with UC adoption, virtualization. Virtualization technologies intend to create operational efficiencies by further reducing the costs associated with hardware and to unlock the centralized command-and-control benefits of cloud computing.

Server virtualization involves the use of hypervisors to create an abstraction layer between the server environment's hardware and software resources. The hypervisor essentially allows multiple virtual servers, or virtual machines, to co-reside on the same physical hardware in order to share physical resources such as power, footprint, memory, central processing unit (CPU), and network interfaces.

Leading vendors made an early commitment to UC server virtualization in order to tackle the obstacles that customers face. Vendors that are in tune with shifting customer demands and technology evolution are in the best position to innovate. Innovative vendors do not wait for technology to be proven out by their competitors. Innovators establish product leadership through in-house development and partnerships in order to pave the way and set the standard for the broader market. A vendor owning product leadership status is the most preferred provider for customers and partners, and is therefore best positioned for success.

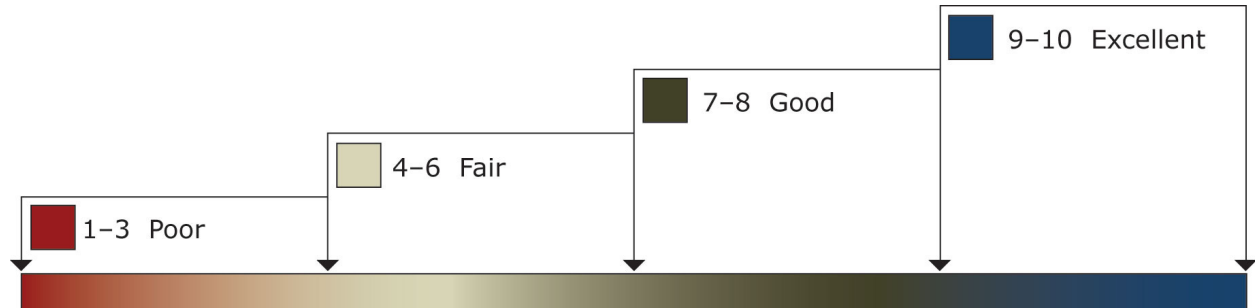
Key Benchmarking Criteria for the Product Leadership Award

For the Product Leadership Award, the following criteria were used to benchmark Mitel's performance against key competitors:

- Product Features/Functionality
- Innovative Element of the Product
- Product Acceptance in the Marketplace
- Provides Customer Value Enhancements
- Product Quality

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each Award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and Award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 1.

Chart 1: Performance-Based Ratings for Decision Support Matrix

This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Chart 2: Frost & Sullivan's 10-Step Process for Identifying Award Recipients

Best Practice Award Analysis for Mitel

The Decision Support Matrix, shown in Figure 3, illustrates the relative importance of each criterion for the Product Leadership of the Year Award and the ratings for each company under evaluation. To protect the interests of the award recipient's competitors, we have chosen to refer to them as Competitor 1 and Competitor 2.

Figure 3: Decision Support Matrix for Product Leadership Award

<i>Measurement of 1–10 (1 = lowest; 10 = highest)</i>	Award Criteria					
	Features/Functionality	Innovative Element of the Product	Product Acceptance in the Marketplace	Provides Customer Value Enhancements	Product Quality	Weighted Rating
Relative Weight (%)	20%	20%	20%	20%	20%	100%
Mitel	9.5	10	9	9.5	9	9.4
Competitor 1	8.5	8	7.5	9	9	8.4
Competitor 2	8	8	7	9.5	8	8.1

Criterion 1: Product Features/Functionality

Today, there are many virtual UC server solutions available to customers. Finding and sustaining differentiation is paramount for a vendor and its UC solution to stand out among multiple competing options. Mitel has established sustained differentiation in its virtual UC portfolio, which greatly increases its chances to be considered by enterprise decision makers.

Mitel offers a range of virtual solutions, all of which leverage a common software stream. It is a development direction not yet uniformly supported by several of Mitel's fiercest rivals in the UC market. Compared to more fragments alternatives, Mitel's approach streamlines development, sales, training, and support efforts. It also enables a consistent user and operations experience whether deployed in private cloud/customer-premises equipment (CPE), hosted/shared, or public cloud configurations.

In today's crowded market, Mitel also stands out in terms of the breadth and depth of its virtual UC solutions. Mitel differentiators include: the breadth of applications that can be virtualized (call control, messaging, instant messaging (IM)/presence, audio and web conferencing, mobility, branch gateway, management, contact center, and more); the

ability to co-reside with third-party applications; and the full integration with VMware vSphere and vCenter components that provide the operational efficiencies and business continuity options sought after by leading customers in their next-generation communications solutions.

Criterion 2: Innovative Element of the Product

Mitel is a trailblazer in virtualizing real-time communications software. Mitel broke new ground in 2009 when it introduced Multi-Instance Communications Director (MiCD), a consolidation of independent call servers on an optimized hypervisor layer installed on industry standard servers. In parallel, the company formed a partnership with VMware to introduce call server/media server software implemented on VMware general-purpose hypervisors. The resulting Mitel Virtual MCD (vMCD) was released in early 2010, earning Mitel first-mover status in the development area of deploying call control solutions that leverage hypervisor technology. Several months later, the Virtual Mitel Applications Suite (vMAS) was released, supporting a full suite of UC applications running within a single virtual machine.

The benefits of hardware reduction and the operational efficiencies of UC server virtualization resonated with the market. Virtualization is widely viewed as a key component and enabler of cloud infrastructure environments. To avoid being left behind, all top competitors have since followed Mitel's lead by introducing alternative virtual UC server solutions of their own. In effect, they have validated Mitel's strategic direction.

Criterion 3: Product Acceptance in the Marketplace

Today, Mitel offers a well-rounded portfolio of virtual UC server solutions to meet customer requirements of nearly any type and size. Because of this, and due to Mitel's first-to-market advantage, the company boasts impressive traction in terms of customer and partner adoption that many of its rivals cannot claim.

In 2010, partners Mitel and VMware announced their first joint solution customers. Today, over 40 percent of all Mitel UC applications sold, including greater than 15 percent of MCD call control platforms, are deployed on virtual machines. In excess of 4,000 Mitel virtual appliance systems are deployed at customer sites. Today, more than a half-dozen large enterprises are running Mitel Multi-Instance Communications Director (MiCD). Additionally, Mitel is engaged with more than 45 service providers worldwide who either have deployed or are in the staging process with Mitel Cloud Communications Solutions using virtualized server infrastructure.

Criterion 4: Provides Customer Value Enhancements

Virtualization offers customers the flexible deployment and consumption options that they require. Among the many vendors participating in the market, Mitel ranks among the select

few that are prepared to deliver solutions that efficiently and effectively address customers of nearly any type and size.

SMBs can reap the benefits of hardware consolidation and unified management when deploying a range of capabilities offered with Mitel vMAS. The single, software-based platform lowers the barriers to adoption for smaller customers unwilling or unable to acquire and deploy the numerous hardware servers that most UC architectures traditionally required to support messaging, multimedia conferencing, branch office, and mobility applications.

Larger organizations can also reap the benefits of hardware consolidation and optimization afforded by Mitel virtual UC solutions. However in terms of scale, larger organizations may realize even greater benefits enabled by streamlined operations including faster deployment and upgrade cycles, centralized provisioning, management and control, more cost-effective reliability options, as well as integration with VMware processor optimization and business-continuity features.

Customers of all types stand to benefit from hybrid deployments. These may be a blend of dedicated hardware-based applications deployed alongside Mitel virtual products as an integrated solution. Hybrid options also extend to include solutions leveraging premises-based components integrated with outsourced cloud-based services utilizing Mitel virtual infrastructure.

Finally, Mitel has well established sales and services programs to help customers migrate their existing applications platforms and software licenses to next-generation virtual solutions.

Criterion 5: Product Quality

Being first to market has its advantages; Mitel virtual UC server solutions are comparatively more mature than alternatives. Furthermore, Mitel 'got it right' in its early initiatives as evidenced by the company's consistency and commitment over time, which is unmatched in the market. In contrast, several key rivals have experienced false starts and have performed substantial overhauls of their initiatives.

Customers and partners can rest assured that Mitel virtual UC solutions leverage the same software stream as the company's field-proven 3300 ICP portfolio. Mitel has maintained and regularly enhances its single software stream to provide the same user and system feature functionality no matter how customers choose to deploy its solutions. As such, the company's virtual UC solutions are offered with the same quality of service (QoS) guarantees, warranty, and software assurance programs that Mitel has always backed.

Conclusion

Vendors with established product leadership, such as Mitel, are helping customers find their way forward. Frost & Sullivan recognizes that virtualization makes UC adoption much more feasible for a greater number of customers than more traditional hardware-centric UC deployments could. Based on Frost & Sullivan's independent analysis on UC Server Virtualization, Mitel is recognized with the 2013 North American Product Leadership Award.

The CEO 360-Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360-Degree Perspective™ model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360-Degree Perspective™ is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360-Degree Perspective™ model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth strategies. As illustrated in Chart 4 below, the following six-step process outlines how our researchers and consultants embed the CEO 360-Degree Perspective™ into their analyses and recommendations.

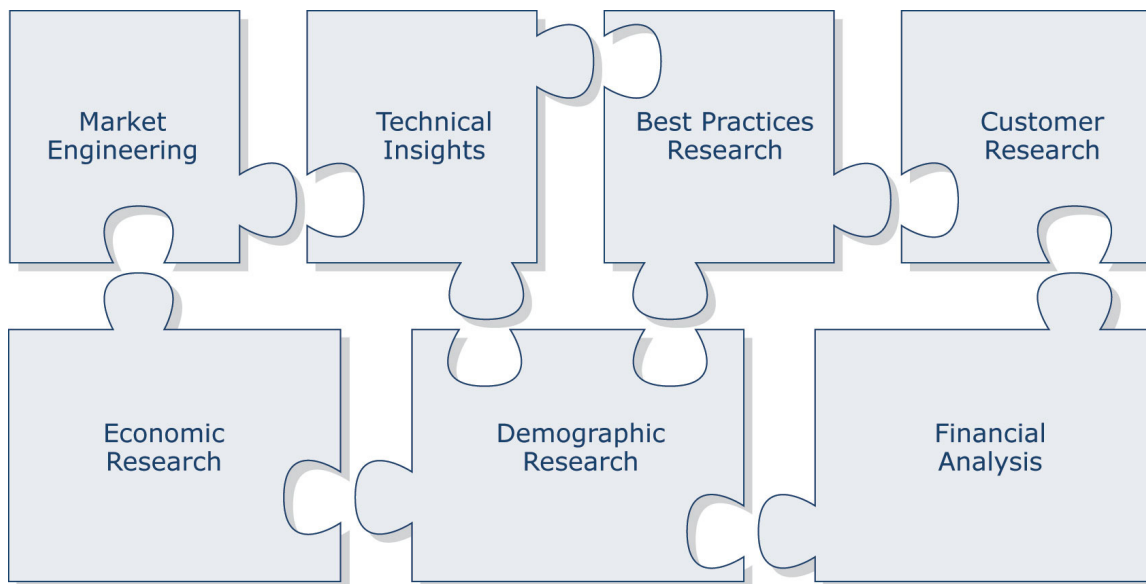
Chart 5: CEO's 360-Degree Perspective™ Model



Critical Importance of TEAM Research

Frost & Sullivan's TEAM Research methodology represents the analytical rigor of our research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 5: Benchmarking Performance with TEAM Research



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.