Microsoft's New Vision for Communications and Collaboration in Office 365 Impacts Microsoft Teams and Skype for Business Customers

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Summary

Microsoft is merging Skype for Business Online with Microsoft Teams, creating a teamwork hub for Office 365. The decision signals a new collaboration approach that application leaders should assess in light of their requirements for optimizing team activities.

Overview

Impacts

Microsoft's plan to sunset Skype for Business Online and merge its capabilities with the Microsoft Teams workstream collaboration tool will have three effects on Office 365 deployments:

The Skype for Business/Microsoft Teams convergence positions Microsoft Teams as a multipurpose "activity hub" for Office 365 users, a new Microsoft collaboration approach that application leaders must assess to better leverage their Office 365 investment.

The converged Skype for Business/Microsoft Teams service creates a different communications user experience, requiring application leaders to minimize disruptions in productivity and teamwork by managing the transition.

As part of the Skype for Business/Microsoft Teams cloud announcement, Microsoft plans to release an update for the premises-based Skype for Business Server, which will confront application leaders with decisions regarding their unified communications deployments.

Recommendations

Application leaders planning and deploying unified communications and collaboration:

Start piloting Microsoft Teams with business end users to evaluate its collaboration

capabilities against the organization's requirements in cloud office.

Plan strategically for Microsoft Teams to evolve as the primary user experience for employees involved in collaborative teamwork using Office 365.

Validate the communications capabilities resident in Skype for Business Online using the new converged Microsoft Teams client.

Leverage the mature Skype for Business Server for Enterprise Voice, where needed, while exploiting Microsoft Teams' innovations in workstream collaboration and online meetings by using a dual-client option.

Analysis

At the Microsoft Ignite 2017 conference in September 2017, the vendor announced a strategy to phase out its Skype for Business Online service and merge its capabilities into Microsoft Teams. The decision represents a major step in Microsoft's cloud office evolution. This technology merge has the potential to transform Microsoft Teams from primarily a workstream collaboration tool to a unified application that also enhances meeting solutions, real-time content collaboration, and general productivity needs of individuals and teams.

The convergence positions Microsoft Teams as a multipurpose activity hub for teamwork. Employees will collaborate and interact in a conversational-style workspace. And from within the Microsoft Teams experience, they will be able to seamlessly access a wide range of Office 365 (O365) productivity tools (such as OneNote, Outlook, SharePoint and Planner) that support the Office 365 Groups service. Because Microsoft Teams has persistent messaging capabilities, the workspace unifies the conversational, information sharing and coordination actions of the group.

The announcement confronts application leaders for cloud collaboration and communications with an array of decisions related to optimizing collaboration for the emerging digital workplace. Organizations with existing deployments of Skype for Business Online, Microsoft Teams or Office 365 have the most to gain, or lose, in assessing this converged platform.

Figure 1. Impacts and Top Recommendations for Application Leaders in Charge of Communications and Collaboration

Impacts	Top Recommendations
The Skype for Business/Microsoft Teams convergence positions Teams as a multipurpose "activity hub" for Office 365.	■ Pilot Microsoft Teams with business end users to evaluate its collaboration capabilities in Office 365. ■ Develop a communication, onboarding and governance plan for effective use of Microsoft Teams.
The converged Skype for Business/ Microsoft Teams service brings a different communications user experience, requiring application leaders to minimize disruptions.	■ Plan for a transition from Skype for Business to Teams in the next two years. ■ If full enterprise voice is required in the near term, look at Skype for Business Server or other vendors' unified communications solutions.
Decisions are pending for Skype for Business Server customers, as a new upgrade is announced.	■ Install Skype for Business Server 2019 for improvements and lengthen support period to end of 2023. There is no urgency to change. ■ Evaluate a dual-client hybrid approach with Teams for workstream collaboration along with Skype for Business Server for enterprise voice.

Impacts and Recommendations

Assess Microsoft Teams as a Multipurpose "Activity Hub" to Better Leverage Office 365 Investments

Microsoft Teams represents Microsoft's implementation of the conversationally driven group collaboration model, which Gartner labels "workstream collaboration." This model has emerged recently from vendors such as Atlassian, Cisco, Unify, Microsoft and Slack (see "Embrace Workstream Collaboration to Transform Team Coordination and Performance").

These applications share a critical feature: they are designed around a persistent group chat space that integrates group and individual messaging, alerts, notifications, group files, search, and real-time conferencing. Microsoft Teams also fully leverages Office 365 Groups, enabling it to become a single point of entry where members can work with the variety of Microsoft tools in a group context.

The launch of Microsoft Teams originally created some overlap in the areas of audioconferencing and videoconferencing. Microsoft Teams included its own embedded application experience for audio- and video-based communications, but it did not integrate with Skype for Business Online meetings or align with its meeting room solutions. Fast time to market helped Microsoft competitively, allowing Microsoft to give customers a workstream collaboration solution as an alternative to its key competitor Slack. But, because of overlapping conferencing and messaging features, Microsoft Teams created unrest and confusion in the installed base for organizations that had made a strategic long-term investment in Skype for Business Online.

With the transition of Skype for Business Online to Microsoft Teams, Microsoft addresses customer concerns and accomplishes a major competitive change. But, application leaders for collaboration need to rethink Microsoft Teams and its role because Microsoft Teams is no longer just a workstream collaboration application. Microsoft Teams now begins to cut across multiple market segments: workstream collaboration, meeting solutions and content collaboration platform (see Figure 2 below).

Competitively, the resulting unified communications and collaboration capabilities of Microsoft Teams may cause application leaders to reconsider their workstream collaboration strategies and take a closer look at how Microsoft Teams compares to Cisco Spark and Slack:

Cisco Spark — Cisco Spark offers meeting solutions, workstream collaboration and calling functionality. Additionally, Cisco has significant meeting solutions market share with WebEx and videoconferencing products that are integrated with Cisco Spark. With this announcement, Microsoft Teams is better positioned to challenge Cisco Spark to become the everyday client for workstream collaboration and meeting services. Cisco is currently able to exploit the uncertainty around the timeline and breadth of Microsoft Teams' support for unified communications. However, this advantage will diminish if the Microsoft Teams solution proves its ability to deliver enterprise-grade voice and video experiences.

Slack — In Gartner inquiries with clients, the prioritization and weighting for unified communications and meeting support on selection of Slack have not been high. Organizations using Slack want an integrated application experience for audio/video conferencing but the solution does not have to be delivered via a tight integration with their enterprise unified communication vendor. Conferencing is an important feature, but is considered more of a convenience or an extension of a chat stream, rather than a core experience. The potential impact to Slack from incorporating Skype for Business into Microsoft Teams is unlikely to cause an immediate sense of urgency, but raises the bar for Slack to better handle meeting solutions and pursue integration with leading alternatives to Microsoft's offering.

Figure 2. The Converged Skype for Business Online/Microsoft Teams Now Embraces Meeting Solutions and Improved Content Collaboration
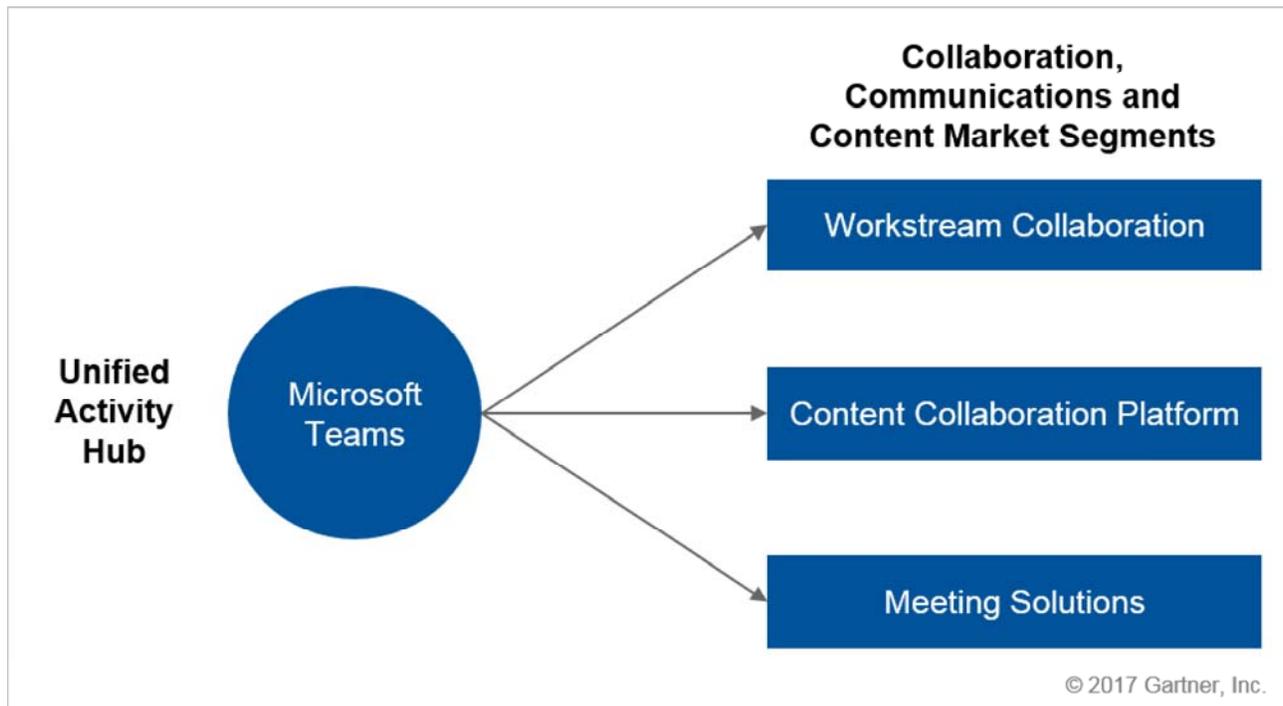
Converged Microsoft Teams and Meeting Solutions

Microsoft Teams already did a fair job of handling team activities around meetings by including its own audio/video experience. (Workstream competitors are also able to handle meetings by delivering their own embedded experience, or by supporting a click-and-launch capability that teams could use for online meetings.) Previously, Microsoft Teams was disconnected from Microsoft's strategic efforts to improve physical meetings in conference rooms and the unified communications that revolved around Skype for Business Online. But the transition of Skype for Business Online to Microsoft Teams now enables Microsoft to connect the users' collaborative work that happens before, during and after meetings. With this expanded role, Microsoft Teams can take on next-generation meeting solutions. This will force other vendors to match Microsoft's future expected capabilities once Skype for Business Online is fully incorporated into Microsoft Teams and aligned with its meeting solution efforts.

Converged Microsoft Teams and Real-Time Content Collaboration

Microsoft Teams is very effective in helping teams organize and manage content, and is evolving into a hybrid workstream and content collaboration platform. All files added to Microsoft Teams are placed automatically in a Microsoft SharePoint library. Files shared via direct messaging are automatically stored in the sender's OneDrive, which gets

synchronized with the desktop by the OneDrive sync client. Files shared in Microsoft Teams' SharePoint library can be synced with the OneDrive desktop app as well. This design allows groups to work consistently around content without creating another silo. The design also enables files to be accessed outside the Microsoft Teams environment.

At Ignite 2017, Microsoft demonstrated improvements on how content editing sessions (such as Microsoft Word) will leverage the Microsoft Teams' chat channel as it displays alongside the content coauthoring editing session. Gartner expects that the convergence of Skype for Business Online into Microsoft Teams will enable better real-time collaboration as the chat channel, files and content editing session are aligned in a very natural manner.

Recommendations for application leaders responsible for cloud office decisions:

- Start piloting Microsoft Teams with business end users to evaluate its collaboration capabilities against the organization's requirements in cloud office.

- Develop a communication, onboarding and governance plan for effective use of Microsoft Teams.

- Continue to follow Gartner's advice on workstream collaboration and avoid strict standardization on a single product. The market is dynamic with innovative solutions being advanced by vendors across the marketplace to support new ways of working.

Minimize Disruptions in Productivity and Teamwork by Managing the Transition to Microsoft Teams

Skype for Business Online customers have been given notice that the service will be sunsetted over time, though Microsoft has not stated a definitive timeline for when Skype for Business Online customers will lose access to the service. But Microsoft expects most organizations will migrate or "upgrade" to Microsoft Teams within a two-year period. To minimize disruptions, maximize end-user adoption and optimize the new collaboration experience, application leaders will have to manage the transition proactively.

Application leaders need to be aware of notable differences in the primary unified communications functionalities of messaging, meetings and calling as organizations transition from Skype for Business Online to Microsoft Teams. The workstream collaboration's persistent messaging capabilities in Microsoft Teams are more robust than the instant messaging capabilities in Skype for Business Online. This presents a new conversational model that allows teams to communicate asynchronously. Application leaders should engage end users with a communications and training program at the outset, so they can gain the most benefit from the workstream collaboration features.

Microsoft has stated that the majority of the Skype for Business Online meeting features will be replicated in Microsoft Teams by the end of the second quarter of 2018, including support of Skype Room Systems. (Please check with your Skype Room Systems vendors to ensure they have completed the necessary recertification). Additionally, Microsoft Teams brings all the benefits of workstream collaboration, which offers persistent team meeting spaces to allow asynchronous collaboration. It also offers the added innovations that come through ancillary O365 services such as recording, transcription, multiple language translations (including for Meeting Broadcasts), and bots with natural-language understanding to assist with note-taking and action item follow-up. Additionally, the application of Microsoft Graph can assist with meeting prep, scheduling decisions, displaying meeting attendee profiles, and pulling in appropriate data needed for a productive meeting (see "In the Digital Workplace, Conferencing Markets Are Evolving Into a Meeting Solution Market").

Application leaders can begin planning to use the initial set of enterprise voice capabilities on Microsoft Teams in the second quarter of 2018. Microsoft's current target for offering a more capable set of enterprise voice features on Teams is the second half of 2018. It is not clear at this time, however, when, or if, Microsoft Teams will offer the broader set of enterprise voice capabilities found on Skype for Business Server. It is notable that Microsoft has stated that it will not support the Skype for Business Online Cloud Connected Edition (CCE) for Microsoft Teams. Rather, Microsoft has announced direct Session Initiation Protocol (SIP) trunking connectivity into the Microsoft Teams cloud in O365. With this change, the decision to bring in a preferred network service provider for public switched telephone network (PSTN) access, or connect to a premise-based PBX becomes easier to manage than the previous attempt with CCE on Skype for Business Online. For premises-based SIP trunk and PBX interwork, Microsoft's roadmap should be checked to ensure your session border controller version is certified for use with Microsoft Teams.

Microsoft has renamed the three main Skype for Business Online services:

Cloud PBX became Phone System

PSTN Conferencing became Audio Conferencing

PSTN Calling became Calling Plan

Skype for Business products retained in this conversion without a name change are Skype Broadcast Meetings, Skype Room Systems and the cloud-based video interoperability solutions from Polycom and Pexip.

Recommendations for application leaders responsible for cloud office decisions:

Plan strategically for Microsoft Teams to evolve as the primary user experience for

employees involved in any type of teamwork using Office 365.

Plan to start using Microsoft Teams in a side-by-side mode with Skype for Business Online in the second quarter of 2018 to allow users to evaluate the meeting solutions and calling capabilities.

Leverage the side-by-side mode to support a hands-on training period. Microsoft Teams supports the ability to toggle features on and off, so application leaders can determine when to expose new capabilities to end users.

Start planning for an eventual migration from Skype for Business Online in the next two years assuming enterprise communications requirements can be met.

Organizations unhappy with Microsoft's decision to focus on Microsoft Teams as the primary platform for communications should consider alternative unified communications solutions in the marketplace for voice, messaging and meeting services (see "Magic Quadrant for Unified Communications as a Service, Worldwide" and "Magic Quadrant for Meeting Solutions").

Address Unified Communications Deployments Following the Planned Release of Premises-Based Skype for Business Server 2019

Microsoft says that customers using the premises-based Skype for Business Server will be offered mainstream support until the end of calendar year 2023 if they upgrade to a new version of software called Skype for Business Server 2019. This new release can be purchased as a stand-alone or with Office 2019, Exchange 2019 and SharePoint 2019. Microsoft says that the Skype for Business Server 2019 release will also include enhancements for hybrid deployments — such as common management portal, converged user authentication and access to cloud-based calling services such as auto attendant and call queues — where both the premises-based and cloud-based services are used. But, apart from these additions, Gartner believes that Skype for Business Server installations will be essentially in maintenance mode with fewer new features and innovations coming over time.

The Skype for Business Server 2019 release will change hybrid deployments. Today, application leaders with existing Skype for Business hybrid deployments have to place end users on either the Skype for Business Server platform or the Skype for Business Online platform, a decision which determines that all services are delivered by one or the other platform.

But, with Skype for Business Server 2019, application leaders can decide to configure a single user on both the Skype for Business Server and Microsoft Teams platform simultaneously, using new common management and user authentication capabilities. This allows a dual-client approach: users get the enterprise voice functionality and contact

center integration from Skype for Business Server and the innovative workstream collaboration for persistent messaging and meetings from the cloud-based Microsoft Teams service. This approach can be used either as a transition strategy while Microsoft Teams builds up its enterprise voice capabilities, or as a longer term solution since Microsoft appears willing to support Skype for Business Server for many years to come.

Recommendations for application leaders responsible for unified communications:

Plan for an upgrade — in late 2018 or early 2019 — to Skype for Business Server 2019 (including Windows 2016 and SQL Server 2016) if you decide to remain on the on-premises platform for a long duration.

For those organizations already using Skype for Business Server for Enterprise Voice, the decision to migrate to Microsoft Teams-based enterprise voice will need to be evaluated carefully as there is still work ahead for Microsoft to bring this capability up to par on Microsoft Teams.

Continue to deploy contact centers with Skype for Business Server for the foreseeable future, as there were no clear signals from Microsoft in September 2017 about supporting the required APIs for contact center integration with Microsoft Teams. There will be no change in the contact center APIs with the release of Skype for Business Server 2019, so existing solutions will work (see "Market Guide for Microsoft Skype for Business Contact Center Partners" for vendors that best serve this need).

Evaluate using the dual-client hybrid approach to continue leveraging the more mature Skype for Business Server for Enterprise Voice while at the same time using workstream collaboration and online meeting services via Microsoft Teams.

For enterprises wanting a cloud deployment model with the Skype for Business Server capabilities, Microsoft partners offer hosted solutions that are worth exploring. These partners can also satisfy feature gaps in Skype for Business Server with their own products or integrate third-party technology to satisfy the larger enterprise's communication and networking needs.

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