



Bringing Calling and Contact Center to Microsoft Teams

*An integrated approach provides for lower TCO
via simplified management and user experience*



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Executive Summary

Companies using Microsoft Teams for meetings and messaging are at an inflection point. They want to add calling and contact center capabilities to Teams, but must do so in a manner that optimizes user experience, minimizes costs, and maximizes availability and reliability. In addition, they must ensure access to new and emerging capabilities to improve customer experience. The ideal path forward is one that leverages a unified calling and contact center solution, natively integrated into Microsoft Teams, with access to composable capabilities for customer engagement. In this Metrigy issue paper, we share our latest data on Teams adoption trends, options for integrating voice and contact center capabilities into Teams, and the benefits of leveraging a unified calling and contact center solution to optimize employee and customer engagement.

The State of Microsoft Teams

Microsoft Teams is a cloud-based unified communications (UC) application that provides team chat, video-enabled meetings, and other collaboration features.

Teams can also function as a business phone system via the Teams Phone feature set. For those without an E5 license, adding Teams Phone requires a fee-based add-on to existing Microsoft 365 licenses. Adding calling to Teams also requires the purchase of PSTN access, either from Microsoft or from a separate carrier. It may also require the purchase of additional infrastructure such as endpoints as well as gateways to support analog or other legacy devices.

Teams has gained tremendous market share since its introduction in 2017. According to Metrigy's *Workplace Collaboration MetriCast: 2023* global study of more than 1,400 organizations, almost 62% currently have access to Teams through their Microsoft 365 licenses as shown in Figure 1 below.

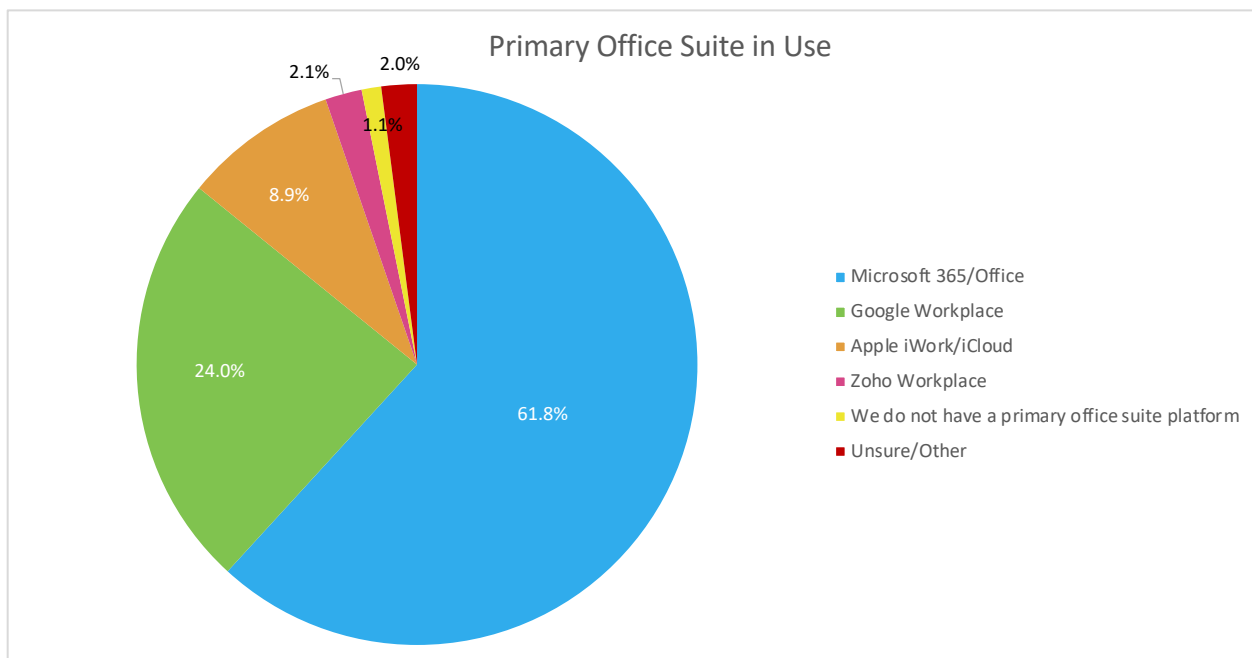
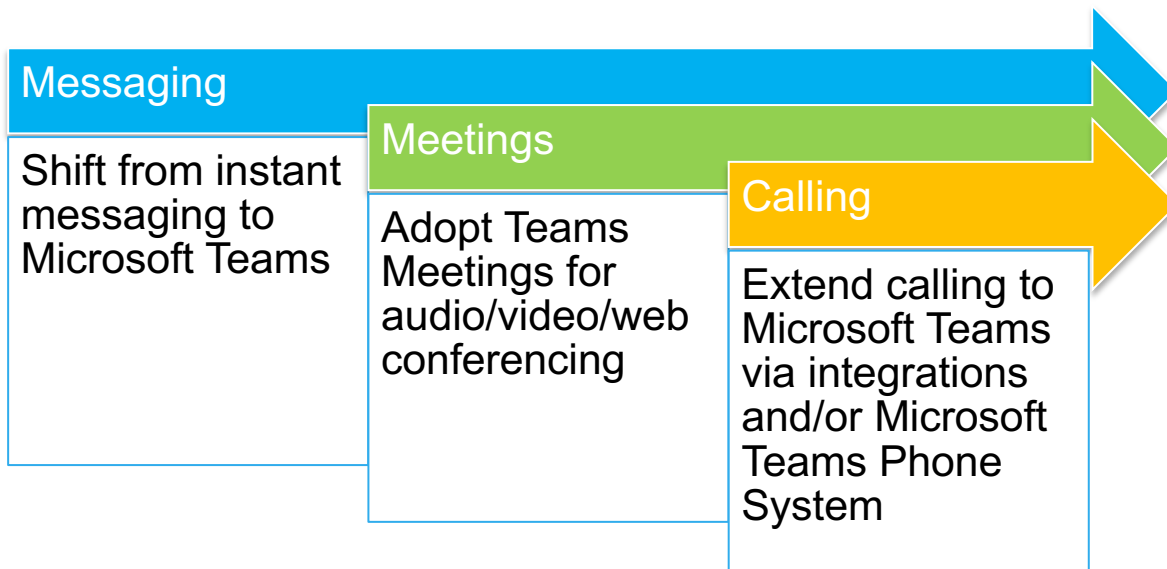


Figure 1: Primary Office Suite in Use

Of the nearly 80% of participating companies that have deployed a video meeting application, almost 69% use Teams. Furthermore, of the 77% that have adopted team chat, almost 70% use Teams.

Given Teams does not include calling features without additional licenses and PSTN access plans, most companies start their Teams adoption journey with messaging and meetings. As use of those features becomes widespread, the next logical step leads IT and business leaders to the question: ***How do we best integrate calling?***



One option is to simply adopt Microsoft Teams Phone, Microsoft's feature set for using Teams as a business phone system. However, few companies using Teams have gone down this route. Among our study participants who use Microsoft Teams for messaging and/or meetings, just 18.6% are using Teams Phone, primarily due to cost, feature, and reliability concerns as well as not having yet evaluated a go-forward strategy for integrating calling into Teams.

Meanwhile, among those using other platforms for their calling needs, approximately 75% use Teams for messaging and meetings. These two data points highlight the reality that few companies using Teams are using it for PSTN calling, rather most Teams customers rely on a separate phone system provider for their calling needs.

Despite Teams Phone adoption being low, IT and business leaders are expressing a strong desire to deliver an integrated communications experience for both employee and customer engagement. Among study participants, 69.2% say they prefer such an approach for their communications and collaboration needs and 71.8% say they plan to integrate UC applications and contact center platforms to deliver a seamless user interface for front and back office alike.

While the desire to provide end-users with an integrated experience for their calling, meeting, and messaging needs is high, approximately 65% of companies plan to continue using a separate, non-Microsoft platform for PSTN calling for reasons we'll soon explain.

On the contact center side, Microsoft recently introduced Microsoft Digital Contact Center (DCC) as its contact center-as-a-service (CCaaS) platform. However, DCC is not natively integrated with Teams Phone. Rather, it is built on top of Microsoft Dynamics CRM; as such, it

may not be well suited for those companies using other CRM platforms or for those seeking a more mature, more feature-rich contact center platform for their needs.

Therefore, those looking for integrated meetings, chat, calling, and contact center solutions must broaden their scope beyond just Microsoft's own capabilities. What such companies need is a solution that provides Teams users with a fully integrated experience that allows for easy access to flexible calling and contact center capabilities, seamlessly within the Teams user experience.

Meeting Customer and Employee Engagement Needs

Optimizing employee experience starts with minimizing the need to switch between applications to communicate internally and with customers. Ideally, this means that those who are using Teams as their primary chat and meetings app have the ability to use it for calling, too, even if not via Microsoft's own calling features.

Accessing non-Microsoft calling features within Teams is possible through native integration with third-party UC-as-a-service (UCaaS) providers. Among nearly 400 participants in our recent study on UCaaS total cost of ownership, 81.5% consider the availability of such integration from their UCaaS provider to be either important or critical.

Importance of UCaaS Integration into Teams
(for those using Teams for meetings and/or chat, but not for calling)

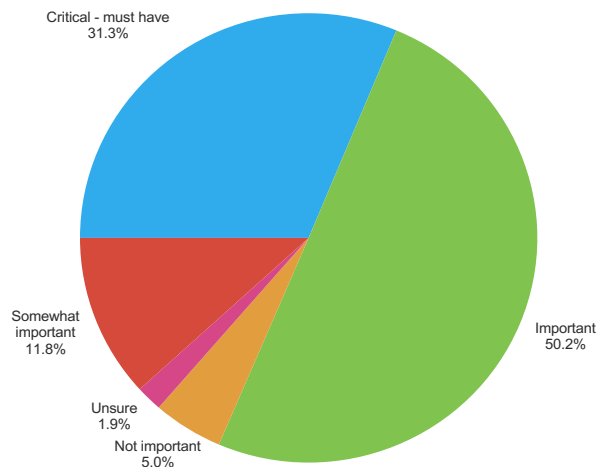


Figure 2: Importance of UCaaS Integration into Teams

Another key requirement for an effective employee and customer engagement strategy is ensuring highly reliable communications. Today, Microsoft Teams only guarantees four nines (99.99%) of reliability, meaning there can be up to 8.76 hours of unscheduled downtime per year. Alternatively, most UCaaS providers guarantee five nines (99.999%) reliability, meaning just 5.26 minutes of downtime annually. The impacts of outages range from lost sales to negative customer experiences and potential inability to deliver goods and services. For those using or considering Teams Phone, the impact of an outage is even more severe with loss of access to not just chat and meetings, but also to business calling services.

Beyond integration and reliability, business and IT leaders demand additional capabilities that Microsoft either does not offer with Teams Phone or lacks the capabilities available from competing UCaaS providers. These include:

- ❑ **Calling features**, including the ability to support SMS texting to and from business phone numbers
- ❑ **Fax support**, for legacy applications and business cases requiring faxing of documentation
- ❑ **Omnichannel** contact center capabilities, allowing seamless customer engagement across channels including voice, SMS, webchat, and social media
- ❑ **Flexibility and customization**, for inbound call handling based on pre-defined rules
- ❑ **Programmable features**, including the ability to create custom workflows for inbound calls—for example, allowing a caller to schedule a return call or a meeting
- ❑ **Analytics**, to enable reporting for inbound and outbound calls, including hold times, dropped calls, etc.

Teams Integration Options

As companies decide how best to deliver an integrated UC and contact center experience, they have two primary options:

- ❑ **All Microsoft** – Teams messaging, meetings, phone + Microsoft contact center
- ❑ **Teams + third-party UCaaS & CCaaS** – Teams messaging and meetings with a separate provider for calling and contact center

All Microsoft

The “all Microsoft” approach often is attractive on paper. Companies, especially those with existing Microsoft 365 E5 licenses, operate under the belief that adding calling to Teams is “free” as they already have the necessary licenses. Those with other licenses can add Teams Phone for a small monthly fee of between \$4 and \$8 per user depending on feature requirements. Microsoft contact center would require yet another additional license.

The “Teams Phone is free” argument often falls apart for companies when they dig into the costs. Key components to consider include:

- ❑ **PSTN access**: Teams Phone customers have a variety of options for obtaining PSTN access and phone numbers. These include Microsoft Calling Plan, a PSTN connectivity option available directly from Microsoft, or PSTN connectivity from third-party communications service providers through Operator Connect or Direct Routing options. Microsoft PSTN access costs vary widely based on region and features. Our research shows a low of \$2 to a high of \$50 per month, per user for Direct Routing and \$1 to \$10 for Operator Connect
- ❑ **OpEx**: Not only is PSTN access an extra cost, but organizations must devote resources to obtaining and managing their PSTN connectivity (or engage with a managed service provider). Among all companies using UCaaS, the average annual cost per year, per user for managed services is \$615, whereas the average cost for those using Microsoft Teams is \$751. Self-management of Microsoft Teams Phone, on average, results in an annual cost of \$50 per license plus \$5 per license in IT staff training costs

- **Endpoints:** Migrating to Teams Phone may necessitate the replacement of existing desktop telephones and other infrastructure such as remote survivability gateways and analog device connectivity

Beyond costs, other factors to consider include:

- **Reliability:** As previously mentioned, Microsoft Teams only guarantees 99.99% availability versus 99.999% for most competing UCaaS providers.
- **Contact center capabilities:** Teams offers simple call queuing and interactive voice response capabilities that may be suitable for lightweight contact center needs, but lacks a robust, fully integrated contact center platform of its own. Rather, Microsoft certifies a number of third-party contact center platform providers, only some of whom also offer their own UC capabilities

Additionally, Microsoft Teams lacks some of the calling features, including SMS and fax support, previously discussed.

Teams + Third-party UCaaS & CCaaS

This approach allows customers to use Teams for messaging and meetings while also accessing calling and contact center capabilities directly within the Teams app, thus eliminating the need for app switching. Integrating a separate calling and contact center provider into Teams enables customers to obtain highly reliable voice services, fully integrate contact center features into the Teams user interface, minimize costs associated with managing a separate calling and contact center platform, and unify PSTN access and management across both phone system and contact center.

Alternatively, some organizations may decide on a hybrid approach in which they use Teams Phone for some use cases (e.g., those with simplified calling needs) and more advanced calling features from a separate UCaaS provider to meet more complex calling requirements. Here again the goal is to enable seamless connectivity between Microsoft Teams Phone and third-party UCaaS provider users to enable capabilities including extension dialing, call transfer, and presence federation.

What to Look for in a UCaaS / CCaaS Provider

Choosing a UCaaS and CCaaS provider requires due diligence to ensure selection of the provider that can best meet present and future needs, and that offers the greatest level of integration with Microsoft Teams to simplify the user experience.

Most UCaaS providers offer a common set of Teams integrations, including:

- SMS/MMS and fax support
- Directory synchronization, enabling a single directory for both Teams and the UCaaS platform

- Presence federation between Teams Phone and UCaaS users, enabling users on each platform the ability to see real-time availability based on actual call and meeting activity
- Access to voicemail, call history, and call recording within the Teams app
- 99.999% guaranteed availability
- Support for SIP-based desktop telephones

However, the market for Teams-integrated UCaaS and CCaaS services is quickly evolving as providers establish differentiated capabilities to win market share. Key differentiators include:

- Availability of omnichannel contact center capabilities that integrate with Teams
- Unified calling and contact center capabilities – meaning that the provider offers a full set of calling features, as well as integrated contact center capabilities, rather than just a stand-alone contact center platform

Within UCaaS offerings, differentiators include:

- The ability to enable calling features natively within the Teams app, via centralized deployment by IT staff, without requiring users to download, install, and manage plug-ins. Key differentiators here include automated provisioning of user accounts and ease of move/add/change/deletion management
- The ability to provide a native dialer experience within Teams, allowing users to place or receive calls without having to switch to a separate application or activate a pop-out window to access calling features
- Flexible PSTN connectivity options, including support for PSTN access for those using Microsoft Teams Phone rather than the third-party UCaaS provider for calling
- APIs and programmable features to enable customization of call routing and adding additional features such as scheduling a callback or meeting
- Toll-free support, including multiple global regions or countries
- Ability to support dynamic location tracking to ensure transmission of accurate emergency services (911) call information to the correct emergency call center
- Ability to provide provisioning and ongoing support in multiple operating regions or countries
- Integrations with other Microsoft 365 apps, such as enabling scheduling of meetings with Outlook

Conclusions and Recommendations

While Microsoft Teams has seen tremendous adoption for meetings and messaging, there are significant concerns and limitations in its ability to serve all communications and collaboration needs, especially for calling and customer engagement. Companies looking for a more reliable, feature-rich alternative should consider services that natively integrate into Microsoft Teams and provide a seamless user experience. Consider:

- ☐ User interface integration capabilities
- ☐ Feature sets
- ☐ Costs

- ☐ PSTN access capabilities, including for those using the Teams Phone System feature set
 - ☐ Additional value-added capabilities, including programmable phone numbers
 - ☐ Availability of implementation and support options within all operating regions
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