

ThinkingPhones Rebrands as Fuze, Adds \$112M in Funding to Prepare for UCC Battle

Summary: UCC Provider ThinkingPhones announced it has rebranded itself as Fuze and that it has received an additional \$112M investment from Summit Partners.

Event: On February 9, 2016, ThinkingPhones announced it was changing its name to Fuze. It also announced a new funding round of \$112 million led by Summit Partners. The announcement was made via a press release.

Analysis

By rebranding and taking a major investment round, Fuze is preparing for a new battle to own the Unified Communications and Collaboration Market.

ThinkingPhones and Fuze both had compelling offerings and by integrating them, they now have a full Cloud-based UCC platform that enterprises will want to evaluate as an alternative to existing providers. The \$112 million investment from Summit Partners will provide the capital for continued innovation and investments in sales and marketing.

Video is the Future

Besides the core Voice capabilities provided by Thinking Phones, Fuze Video is one of the major capabilities to evaluate. Fuze Video works in the Cloud, it is cross platform and it is full HD. Fuze will work with existing hardware providers, such as Cisco, Lifesize, and Polycom, but it also works great on a Tablet, PC or Mac.

Cloud as Critical Buying Criteria

More and more providers are offering a full suite of capabilities in the Cloud, eliminating the need for things such as onsite PBXs.

One of the challenges of Cloud UCC is reliability and cost. Many voice and video conferencing services require additional WAN services to support calls between offices. Newer providers include many of these services as part of their core Cloud Service.

The larger issue facing buyers is the fact that there are two classes of providers emerging: Vendors such as Fuze, who are Cloud enabled and vendors who do not have a Cloud Strategy. Due to margin pressures, Vendors who focus more on hardware than Cloud software will face increased pressure to merge or be acquired.

Hidden Costs add up

Fuze has built-in Multiprotocol Label Switching (MPLS) in its Cloud, which ensures that Voice and Video Calls are not interrupted. MPLS is one of the major costs enterprises have with many existing Video Conferencing providers.

Enterprises need to carefully understand the current costs of existing providers, as Aragon has found that many do not look at the total cost, which for room based video conferencing systems, can range from US \$7,800 to US \$500,000 per month, depending on rooms and screens. Currently, enterprises that do not have optimized WANs need to have MPLS installed to ensure that telepresence and even low-end room systems do not experience jitter and call failure.

Collaboration is Crucial

Fuze's collaborative architecture is focused on persistent group chat rooms called "Spaces," where users can access content and engage in real-time interactions. Aggregating meetings with project/team collaboration and content lets Fuze compete with Cisco and other project-based collaboration providers such as Basecamp and Atlassian.

Collaboration is converging around cloud and mobile, as easy access to the right tools, the right content and the right people at the right time become top priorities. Context is critical to give meaning and purpose to interactions that can be captured and structured to streamline business processes and improve outcomes.

Aragon expects even more acquisitions will occur as the market consolidates and providers add adjacent capabilities to their collaboration portfolios.

Full Platform

One of the issues that enterprises face is the fact that they have to buy multiple products to serve their UCC needs. While there are many UC providers that can do enterprise voice in the Cloud, many do not have the video capabilities that Fuze offers.

With the combined product offerings of voice, video, content and presence/IM, Fuze is poised to be an effective alternative to Skype for Business, which still has not launched a new Mac client.

Aragon Advisory

- Enterprises planners responsible for UCC should evaluate Fuze versus existing providers.

- The shift is on to full UCC capabilities. Look at providers that can deliver both voice, video and collaboration capabilities.

Bottom Line

The future of enterprise voice and video is Cloud based Unified Communications and Collaboration (UCC). Enterprises need to evaluate providers that integrate voice, video and collaboration as a unified service. The benefits of a combined offering can lead to increased productivity and the elimination of costs.

Related Aragon Research

- [The Aragon Research Globe™ for Web and Video Conferencing, 2015](#)
- [Aragon Research Technology Arc™ for the Digital Workplace, 2016](#)
- [Collaboration Predictions for 2016; Enabling People and Processes](#)