

Blog Paper:

Contact Center Supplier Formation and Consolidation

Making Sense of a Crowded and Complex Market

Moderated by: Jason Alley, Independent Consultant

Revision History

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Release 1.0	07/21/09	Initial release awaiting feedback and color from readers.
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Introduction

A few months back one of my colleagues was asking about a certain acquisition in the contact center space. I've lived through them all, but I found myself confused, hesitating to provide a response. While it could very well have been the affect of "OA" (Old Age), I decided to dismiss that explanation and recognize that the contact center market has a complex history and that it would be helpful to have a timeline of acquisitions for reference. It then dawned on me that others could likely benefit from this work, so I decided to write a "blog paper" on the topic. I call it a blog paper because it is meant to be less formal and my hope is that it will be refined and enhanced based on reader feedback and insight.

As I began to assemble the material, I found it interesting and helpful to map when companies were founded and call out certain events that shaped or reflected key trends in the industry (see yellow stars in the figures to follow. Also, see Appendix A for a summary list of these events). While this doesn't provide the whole story, it does provide useful context when considering the evolution of certain companies and the market as a whole.

Finally, it seemed appropriate to add overview language for each period, as well as a section at the end prompting reflections.

Enjoy, and *please contribute your thoughts and insights through the comments section of this blog entry*. I will be updating the paper based on your feedback. Who knows, maybe this can be a living resource that will prove useful for many over time?

IMPORTANT: INFORMATION IN THIS PAPER/DOCUMENT IS BELIEVED TO BE CORRECT AT THE TIME OF PUBLICATION BUT CANNOT BE GUARANTEED AND SHOULD BE VALIDATED BY THE READER.

Activity Timeline & Overview

The following is a timeline of acquisitions, company formation and other events that shaped or reflected key trends in the contact center industry. The arrows at the top of each slide attempt to summarize periods of time along the continuum. Below each slide are a few reflections on that time period. This is a starting point and is open for comment, debate and modification.

Note: Investment activity (mergers, acquisitions, etc.) and other noteworthy market events have been noted in boxes associated with a given year. Investment activity is in blue text and other noteworthy market events are in black text. With respect to investment activity, the company making the investment is on the left of the > sign and the acquired company/technology is on the right, together with an indication of the type of technology acquired and the amount it was acquired for (if this information was available).

1970 – 1995: Contact Center Beginnings & The Awakening

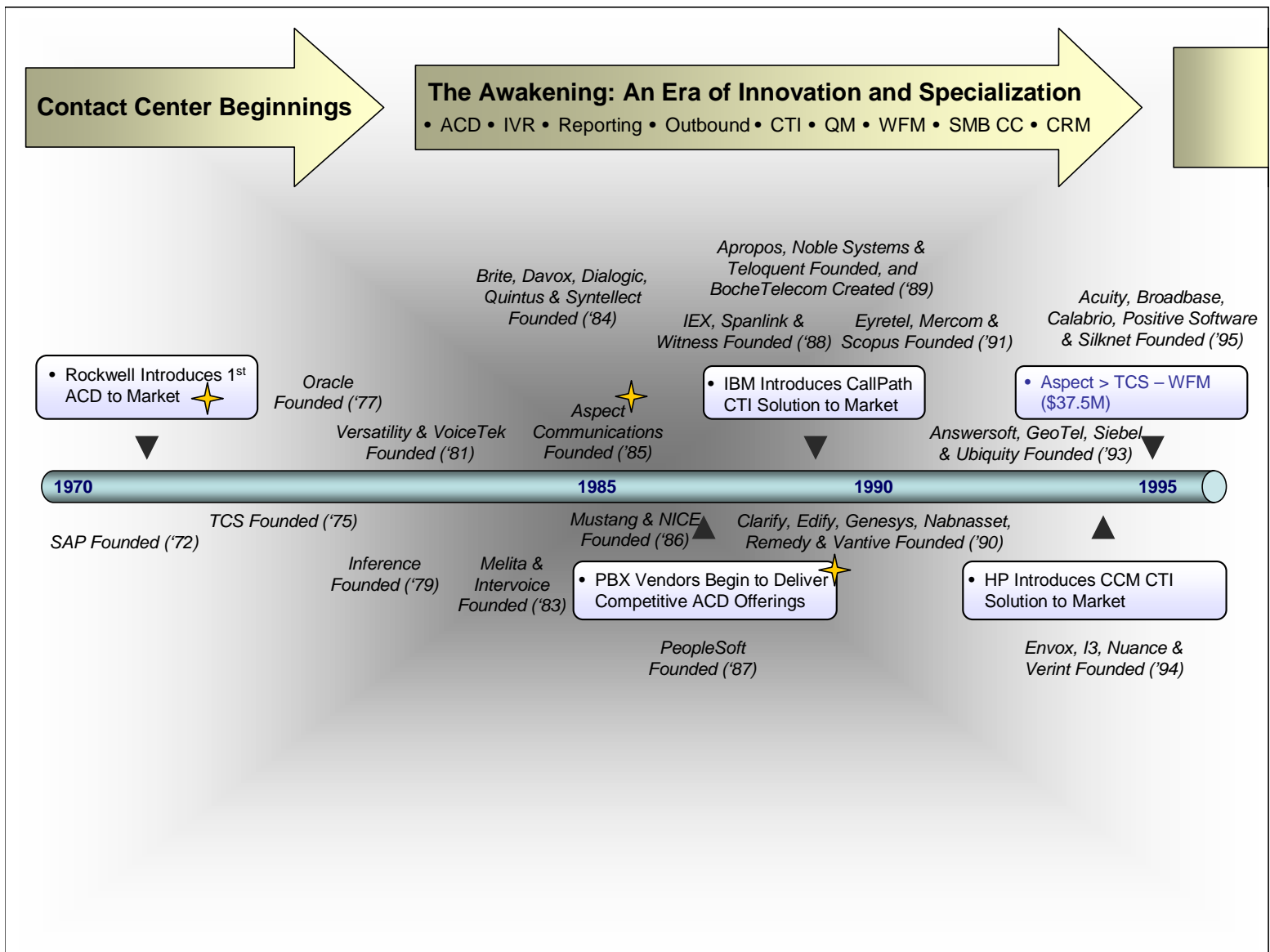


Figure 1 – Activity Timeline: 1970-1995

Rockwell led the charge in the contact center space, introducing the first ACD in 1973. They enjoyed minimal competition for over ten years, until Aspect Communications and PBX vendors came onto the competitive scene in the mid-eighties.

Acquisitions in the contact center market didn't really come into vogue until after The Awakening period. Up until that point, because the market was so young and acquisitions in general were not as common, contact center suppliers focused on delivering specialized hardware and software to meet a very specific set of needs. The number of companies that were founded during The Awakening period is impressive. Enterprise customers became accustomed to purchasing, implementing and maintaining best-of-breed solutions in order to better serve their customers. These specialized capabilities included:

- Automatic Call Distribution (ACD)
- Interactive Voice Response (IVR)
- Computer-Telephony Integration (CTI)
- Outbound (Predictive) Dialing
- Enterprise Routing (Pre and Post Call)
- Quality Management (QM)
- Workforce Management (WFM)
- Customer Relationship Management (CRM)
- Case-based Reasoning (CBR)
- SMB Contact Center

It's interesting to note that innovations in WFM and CBR came before other key areas such as IVR, CTI, CRM, etc. TCS and Inference were definitely ahead of their time. TCS would benefit greatly from being early-to-market, while Inference (now part of Egain) would have to wait a bit longer for their respective market to mature (one could argue this is still work in progress).

Significant innovations in the area of IVR and Outbound (Predictive) Dialing took place in the early-to-mid '80s. The success of companies focused on IVR, in terms of revenue and strategic strongholds gained, would eventually catch the eye of the larger ACD players and become an important part of contact center suite solutions. Outbound solutions would also become an important part of suite solutions, but suppliers mainly offered outbound capabilities to pull-through larger business opportunities (outbound is very specialized and the market for such solutions was/is somewhat limited compared with other contact center segments).

The period between 1985 and 1995 brought other important innovations in the areas of CTI, Enterprise Routing, QM, WFM, CRM and the SMB Contact Center.

As a result of rapid, broad innovation during this period, there were significant opportunities for enterprises to differentiate themselves from a customer interaction perspective. These new technology solutions were less of a known entity and end-user companies adopted them at different paces, in different ways. However, this rapid innovation and opportunity to differentiate oneself would soon bring new challenges as vendor/partnership management and system integration efforts became more complex.

1995 – 2000: Consolidation & NextGen Technologies, Architectures

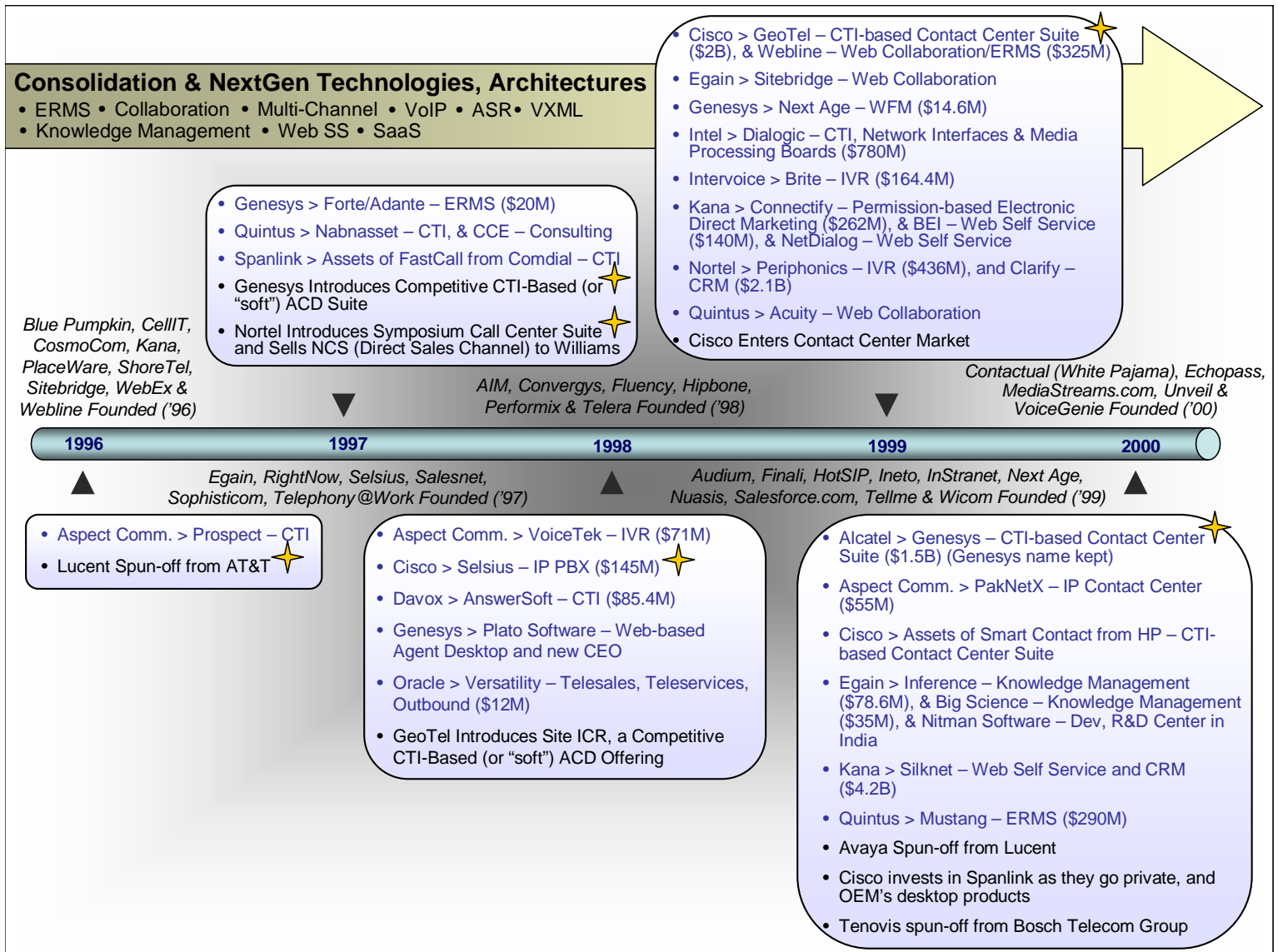


Figure 2 – Activity Timeline: 1996-2000

As mentioned, acquisitions didn't come into fad until after The Awakening period. Aspect Communications pioneered this movement as they looked to broaden their market reach and influence. Between 1995 and 2000, Aspect acquired companies in the following complementary disciplines: WFM (TCS), CTI (Prospect), IVR (VoiceTek), and VoIP (PakNetX). Aspect's move to create a suite of complementary and integrated technologies seemed to make good sense and, thus, others soon followed.

However, in the late '90s, logic soon gave way to emotion and a frenzy of acquisitions. The broader financial market spun out of control in terms of valuations and expectations around (short-term) growth and profit margins. Hardware was out of vogue and everyone was racing to mirror the financials of an entrepreneurial software company (who by the way were creatively managing product/service splits and profit margins by farming out professional services and the sale of industry-standard hardware to consulting and computing partners). The general sentiment was that if you didn't get on the train you would soon be left behind. We

saw some crazy things during this time, including companies being valued at the multi-billion dollar level even though they were brining in low double-digit revenue and had yet to turn a profit. We saw companies selling off stable, profitable businesses as they caved to Wall Street's pressure to deliver higher growth and profit margins. We saw companies investing well outside of their sweet-spot in an effort to expand market reach and reinvent themselves so they wouldn't be branded as "traditional" or "legacy" providers. Funny money was flying freely in a way we will likely never see again.

Interestingly enough, some really smart acquisitions, moves took place amid the craziness of the late '90s. Without a doubt, the biggest market changer was Cisco entering the PBX and ACD market through the acquisition of Selsius and GeoTel, respectively. Through a brilliant marketing strategy targeted at IT professionals (where they had existing relationships and likely learned some things from Genesys), Cisco effectively forced the hand of the market towards IP-based solutions. Let's be clear - this was not a place Aspect, Avaya, Nortel, Rockwell, or anyone else that had a long-standing position in the contact center market, really wanted to go - they were bullied into it by a strong and admirable foe. With the writing on the wall, every contact center infrastructure supplier scrambled to architect a Next Generation ("NextGen") IP-based contact center platform. For some it would be an organic process, for others it would be handled by way of acquisitions. At the end of the day, it required a major engineering and sales and marketing effort for traditional vendors to stay in the game.

To complicate matters, these NextGen platforms (including Cisco's), had to incorporate other new technology innovations - in addition to VoIP - to remain competitive (either directly in the platform or via integration to third party systems), including:

- Automatic Speech Recognition (ASR)
- Voice Extensible Mark-up Language (VXML)
- Email Response Management Systems (ERMS)
- Web-Collaboration (Chat, Co-Browsing, Conferencing)
- Multi-media Routing/Blending
- Knowledge Management (KM)
- Web Self-Service
- Software-as-a-Service (SaaS)

Another major market changer was when Genesys began to compete directly with its ACD partners in the broader contact center market. As a dominant CTI supplier in the '90s, Genesys was successful in infiltrating every large PBX/ACD suppliers' customer base - many re-sold the Genesys solution for larger, more complex CTI implementations. The introduction of a competitive ACD suite surprised many and the traditional suppliers were no longer eager to work with Genesys. However, they were forced to cooperate because of their customers' reliance on Genesys CTI technology and the influence gained in end-user IT organizations. This marked a new era of competition and proved to be a brilliant strategy for Genesys, who was eventually acquired by Alcatel. GeoTel would soon follow with a competitive ACD offering, and eventually enjoy the same fate - a lucrative acquisition by a larger company (Cisco) that had deep pockets and a far reach to take the solution forward.

While Cisco and Genesys executed some brilliant maneuvers, Nortel made some costly moves that ultimately led to its downfall in the contact center space. First, Nortel introduced a new

contact center platform (Symposium) it built to replace an existing legacy system that was quite successful in the market (Meridian Max). However, for various reasons (I won't go into the details here), like many to follow, Nortel did not find it easy to migrate all customers to this new platform. Secondly, around the same time period, Nortel sold-off its direct channel (Nortel Communications Systems) and eventually lost control over which products its largest US channel would sell and service. Finally, Nortel made a bold move to acquire Clarify only to squander the opportunity and sell-off what was left of the business to Amdocs.

It's interesting to note the emergence of SaaS innovators during this era, including: Contactual (formerly White Pajama - IP Contact Center), Echopass (IP Contact Center), Hipbone (Co-browse), Ineto (IP Contact Center), PlaceWare (Web Conferencing), RightNow (CRM-Customer Service), Salesforce.com (CRM-Sales), Salesnet (CRM - Sales), Tellme (IVR/ASR), WebEx (Web Conferencing). Five9, another IP Contact Center service provider, was founded shortly after (2001). In addition, there were two contact center infrastructure suppliers that emerged during this period to focus specifically on the on-demand market, CosmoCom and Telephony@Work. While many were skeptical of software-as-a-service, web conferencing and CRM for small business would eventually prove the model viable. Hosted IVR/ASR solutions have been leading the charge in the contact center space as enterprise customers seek to implement new speech applications without making significant internal investments. The broader on-demand contact center solution set is still waiting to hit mainstream, but we may not be too far off. Much will depend on how much the larger players in the market choose to invest in this segment as they expand their on-demand portfolios (e.g., Cisco and Microsoft). The contact center brings with it complexities and a mission critical nature that most large enterprise customers are weary of placing in the hands of a smaller private company, but open to discussing with a larger financially sound SaaS provider. If existing Unified Communications platform providers can make it easy to add incremental contact center services to existing premise deployments, we may see adoption of SaaS solutions in the contact center increase more dramatically than expected.

In summary, this period brought many important innovations, acquisitions and market moves. It also brought weird, wild behavior. While there was much excitement in the air, with many companies flourishing (at least in terms of valuations...), the fun would soon be cut short by the .bomb of the early 2000s.

2001 – 2005: Additional Consolidation, Evolution of NextGen Offerings, and Few New Innovators

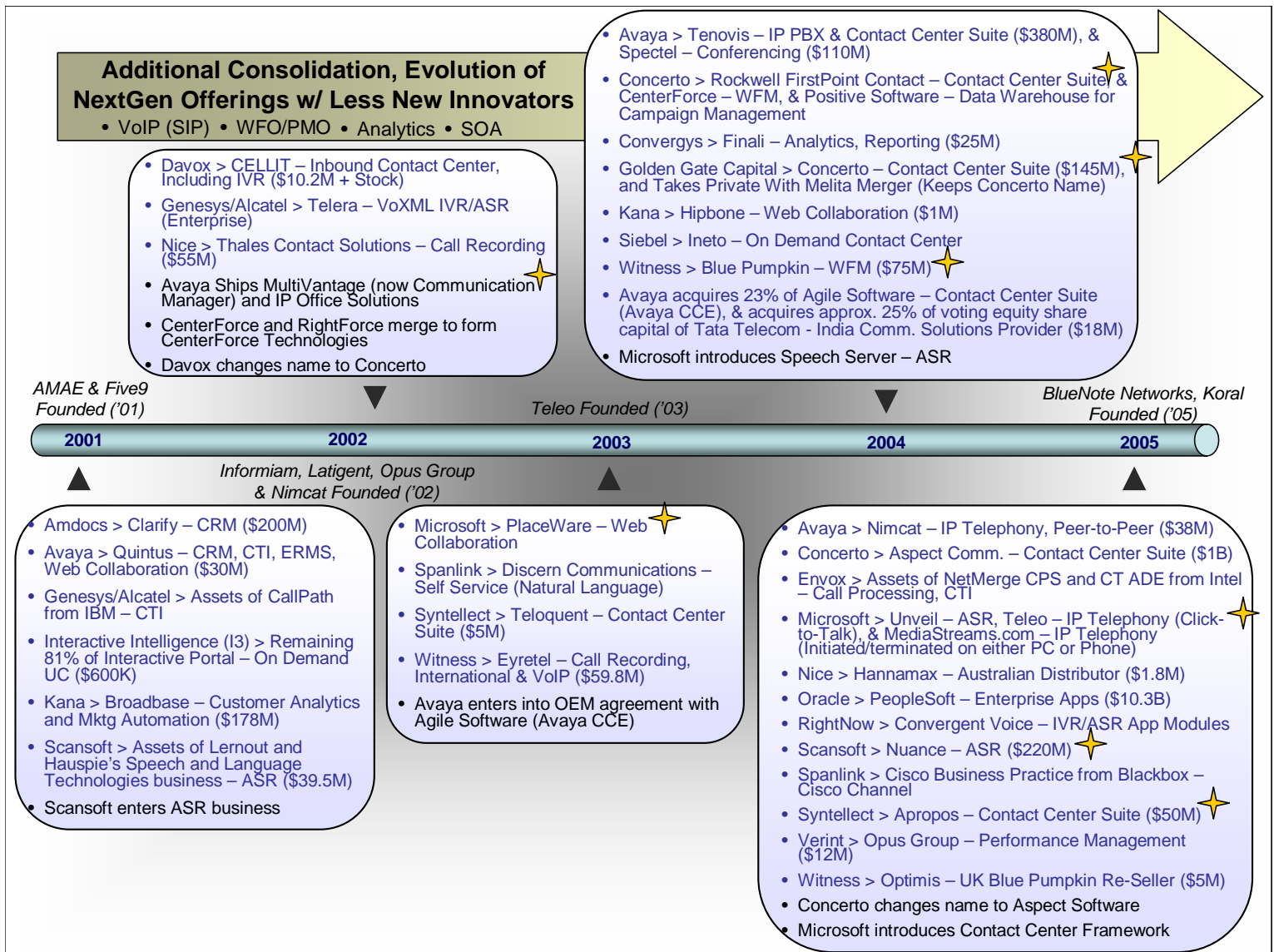


Figure 3 – Activity Timeline: 2001-2005

The market was hit with a much needed reality check and companies, small and large alike, had to start getting back to financial fundamentals. Consolidation continued amidst the carnage – however, this time it was to the tune of survival and opportunism. While we saw continued consolidation *across* segments, with an emphasis on developing suite solutions, it was the first time we saw significant consolidation *within* segments.

In terms of consolidation *across* segments, we saw Avaya acquire Quintus for its CTI and Multi-media capabilities, Concerto add WFM to its portfolio with the acquisition of CenterForce, Davox enter the inbound space with the acquisition of CELLIT, Genesys add IVR/ASR capabilities to its portfolio with the acquisition of Telera, RightNow enter into the IVR/ASR world through acquisition of Convergent Voice, Siebel invest in on-demand capabilities with the acquisition of Ineto, Syntellect expand its offering to include inbound capabilities with the

acquisition of Teloquent and Apropos, Verint expand its offering by acquiring performance management supplier Opus Group, and Witness broaden its reach with the acquisition of WFM supplier Blue Pumpkin [the effective birth of Workforce Optimization (WFO) or Performance Management Optimization (PMO)]. See blog post, [“Times of Change for QM and WFM?”](#) for more on this topic].

In terms of consolidation *within* segments, we saw Concerto acquire Rockwell FirstPoint Contact and later be merged with Melita and later acquire Aspect Communications, Genesys/Alcatel acquire the assets of CallPath from IBM, NICE acquire Thales Contact Solutions, Scansoft acquire Nuance, and Witness acquire Eyretel,

Avaya made multiple investments in the area of CTI and multi-media routing during this period. They first acquired Quintus which became the basis for the Avaya Interaction Center (IC) offering. They then acquired 23% of Agile, which became the basis for the Avaya Contact Center Express (CCE) offering. They then acquired Tenovis which became the basis for the Customer Interaction Express (CIE) offering. While the offerings were targeted at different market segments, and each had some unique capabilities, there was a noticeable amount overlap and it became unclear to some enterprise customers which platform Avaya would base its future multi-media contact center offering on – and how the Avaya ACD would play into it.

Although their multi-media contact center moves raised question, Avaya did a fantastic job of re-architecting their existing PBX/ACD platform to support VoIP. Their “hybrid” TDM/VoIP offering allowed customers to protect existing investments while migrating systems forward to support VoIP. Avaya positioned their approach as “evolutionary” while positioning Cisco’s approach as “revolutionary” and requiring much throw-away investment. They were also quick to point out that the Avaya ACD had been around for a very long time and was far more proven than Cisco’s ACD offering. From a technology standpoint, customers found it hard to argue against the Avaya ACD offering. However, Cisco’s continued investment in the contact center space, together with their relentless sales and marketing push, would present Avaya with a challenge likely greater than expected. The responsiveness and technical depth of the Cisco sales and marketing machine, including the direct involvement of senior executives in key deals, was proven to be effective.

Towards the end of this period came the end of an era as both Rockwell FirstPoint Contact (in 2004) and Aspect Communications (in 2005) were acquired and became part of a privately held company owned by Golden Gate Capital. The combined entity would eventually take on the name Aspect Software. It was the end of the “big iron” ACD as we knew it, and privatization had become a new factor in the contact center market. Some saw privatization as a sign of financial weakness and some saw it as an opportunity to re-invent oneself and not be bogged down by the financial machine that distracted so many companies in prior years. Only time would tell.

Towards the end of this period, we also saw the two major ASR/TTS engine suppliers in the market, Scansoft and Nuance, come together under the Nuance name (although Scansoft acquired Nuance). This was certainly a noteworthy event.

While this marked the end of an era for ACD pioneers, it marked the beginning of a very new movement (what came to be known as Unified Communications) driven by a significant new player, Microsoft, in the broader real-time communications market. Microsoft’s first major move into this broader market took place in 2003 when they acquired PlaceWare who delivered

similar web collaboration capabilities as WebEx (who would later be acquired by Cisco). Microsoft continued investing in real-time communications technology during this period by acquiring ASR and IP-Telephony technology, in addition to an internal investment in ASR that would manifest itself into Microsoft Speech Server. While Microsoft didn't really rock anyone's world in the area of voice communications and the contact center, it would only be a matter of time. Like Cisco did in the mid-to-late '90s, Microsoft would change the game and begin driving the market in a whole new direction (see the next section for more details).

In summary, this period brought continued, rapid consolidation – both across and within segments as valuations dropped significantly, suppliers continued to move towards suite solutions, and some companies struggled to go it alone. Fewer new innovative companies formed during this period, a trend that would continue. Traditional (TDM) suppliers delivered solid VoIP offerings to market, most notably Avaya, while Cisco gained significant traction in the broader enterprise communications market. We also saw the privatization of ACD pioneers and the beginning of a new era in which Microsoft would play a key role. At the same time, enterprise customers became more interested in suite solutions to better manage cost and complexity as 1) many were being asked to do more with less, 2) suppliers thinned out service organizations and end-users were required to play a more active role in managing implementations and vendor relationships, and 3) technical complexity associated with solutions increased in general. There was still an important place for best-of-breed solutions, but as a general trend enterprise customers were looking more towards suite solutions than they had in the past.

2006 – 2009: More Consolidation, Integration & Emergence of NextGen UC Platforms

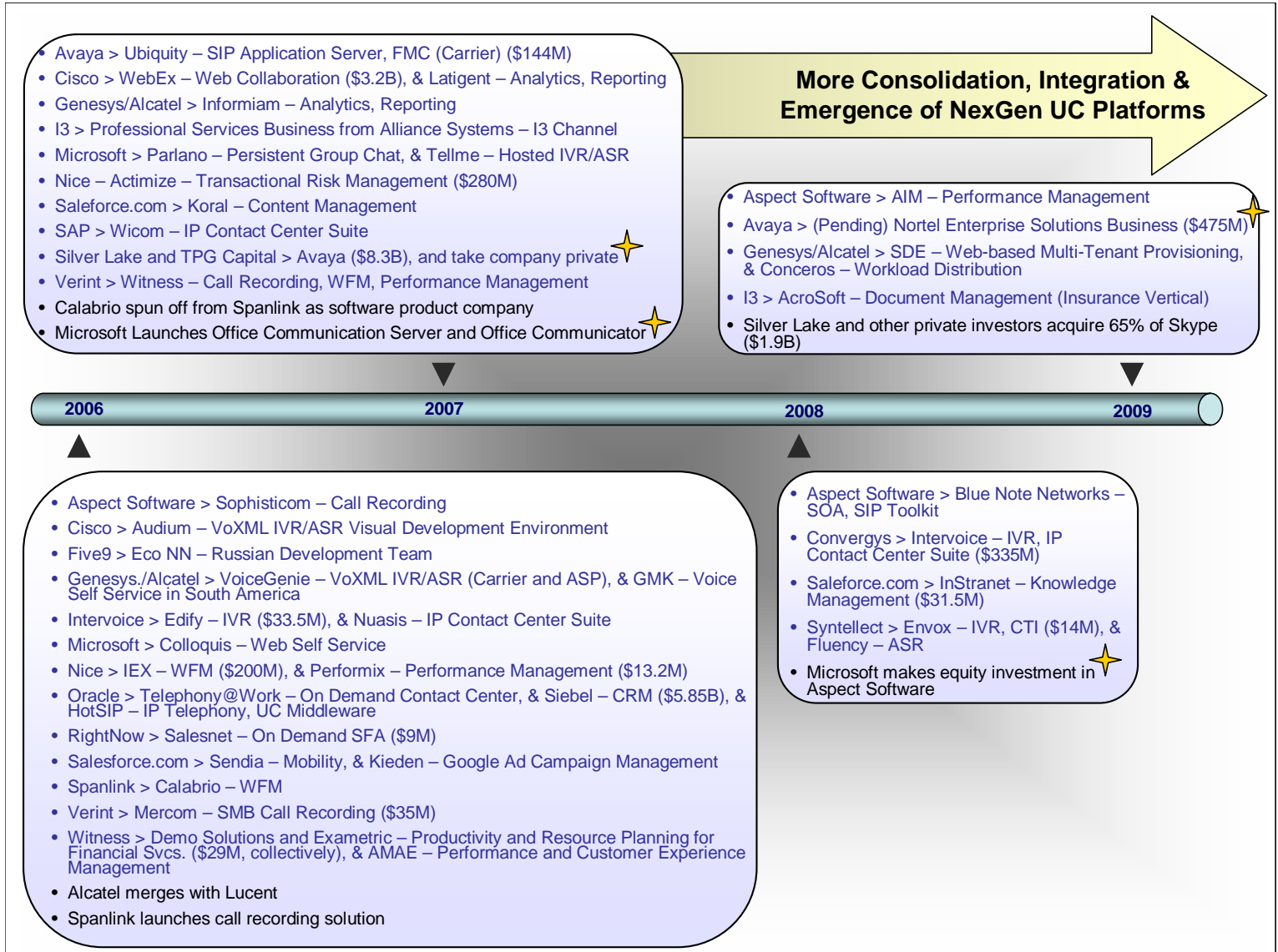


Figure 4 – Activity Timeline: 2006–Current

Things seemed to stabilize a bit in the mid '00s, but a recession would soon hit the world economy that would bring even greater challenges and increased financial scrutiny.

In 2006 and 2007 we saw continued market consolidation – both within and across segments. In 2008 acquisition activity slowed considerably as the US officially entered a recession. Like end-user customers, suppliers were forced to make do with technology already in-hand and to optimize operations to help the bottom line. Everyone was being forced to do more with less, and to do it in a financially responsible manner. While we recovered from the .bomb years relatively well, this new market challenge would prove to be a whole different beast...

Although some have yet to show up on the radar, few new innovative companies seem to have formed during this period.

One of the more significant events of the past few years was Avaya being acquired and taken private, like Aspect Communications two years prior. Again, some saw such a move as a sign of financial weakness and some saw it as an opportunity for the company to re-invent itself more freely. This would later be topped by [Avaya's announcement](#) that they intend to acquire Nortel's enterprise solutions business. This marked another end of an era as a familiar name in the enterprise telephony space is to be acquired by one of its long-time competitors.

However, the most significant event by far was Microsoft officially entering the enterprise VoIP and contact center market with its release of Office Communications Server (OCS) and subsequent equity investment in Aspect Software. The topic of VoIP began to take a back seat to the broader topic of Unified Communications. [UC Strategies](#), a pioneer in this area, defines Unified Communications as, "Communications integrated to optimize business processes." The idea of a common, integrated IP-based infrastructure for all forms of enterprise communications, together with a common desktop framework to manage multimodal communications, being directly integrated within business applications to improve effectiveness and efficiency (I know, quite a mouthful!) started to catch the attention of enterprise customers and took center stage. While there were many skeptics, like with Cisco's VoIP play, Microsoft forced all of the major players to jump on the UC bandwagon and drive towards the delivery of a Unified Communications portfolio. Not only were they changing the game from a functional perspective, Jeff Raikes of Microsoft predicted that "...in just three years the average VOIP solution for businesses will cost half what it does today, as VOIP systems move from hardware to software" (see the following post by Jim Burton of UC Strategies: "[VoiceCon Spring and UC – WOW!](#)"). Marty Parker of [UniComm Consulting](#) published an excellent article on the topic of VoIP and UC pricing trends that is definitely worth a read: "[De-Mystifying VOIP And UC Pricing Trends](#)." Here are a few websites you can go to if you want to learn more about Unified Communications:

- [NoJitter](#)
- [UC Strategies](#)
- [UniComm Consulting](#)

The massive amount of consolidation that took place over a ten year period, between 1997 and 2007, brought formidable technical challenges to suppliers left standing. Specifically, they had to focus on consolidating and integrating disparate product offerings into a common, well integrated (broader) solution set while continuing to deliver new capabilities and innovations. For anyone who has served on a product team for such a supplier, you know how time and resource intensive such an effort can be and how many organizational and logistical challenges must be overcome. Some have done a pretty good job of this, and some have fallen short. However, all have struggled and the amount of complexity enterprise customers have had to manage as a result has been significant. The role of internal project leads and consultants increased in importance and enterprise customers could no longer sit back and trust that suppliers would handle implementations without issue - even suppliers they had successful relationships with in the past. Rather, enterprise customers had to step up and actively manage the pre-sales, contract and implementation process to help mitigate risk and more reliably manage project success.

Reflections

There are several things that hit me while pulling this blog paper together. Here are a few to get the dialogue started. I really want to get your thoughts, so please comment!

We have been busy in the Contact Center!

I didn't really appreciate just how many different companies have been innovating and acquiring in the contact center space until I plotted it all out. My goodness!

Protecting customer investments gave way to pressure to grow, innovate

Back when I was a young pup selling phone systems and applications at Nortel in the early '90s, we used to tout Nortel's evergreen strategy which basically assured customers that their investment would be carried forward as platforms evolved and new technology was incorporated. While Nortel did a great job of marketing this, most of the other traditional telephony and contact center players found this important as well. At some point this philosophy and practice, in general, gave way to the pressure to grow and innovate. Unfortunately, some very solid companies have/are experiencing significant backlash as a result of their failure to successfully bring customers forward to next-generation platforms. The cash cow has been butchered and milk in the fridge is running low... It will be interesting to see how these companies fare over time with their new and improved platforms. My guess is that customers will continue to move to other platforms/suppliers and that these companies will be effectively building a new customer base. Time will tell.

There is an art to acquiring

Many times we think the quality of an acquisition has to do mainly with the technology being acquired and how well it complements one's existing portfolio. I came to realize that whether or not the technology is carried forward successfully has as much, if not more, to do with how well a company integrates the people of the acquired company and how much they are willing to invest in the integration and furtherance of the technology as part of a broader, unified platform. Vision and ability to execute to roadmap is extremely important. Many companies seem to have had an idea of where they wanted to go, but weren't willing or able to take the steps, and make the investment, necessary to execute against a roadmap over time - pulling them in many directions and compromising the payback of their investment(s). Not that a company shouldn't be flexible and fluid, but there is something to be said for being able to execute to a consistent, cohesive plan. Companies that do this well moving forward will prosper, and those that don't will likely suffer a frustrating fate.

Who will be left standing?

The fact that relatively few innovators have avoided acquisition is of no surprise. However, it's interesting to study the progression. I certainly never could have scripted it to play out the way it has. The future is tough to predict, but many say it is a safe bet that Cisco and Microsoft will be two of the major players left standing in the broader unified communications space (which includes the contact center). Avaya is still in a strong position, but they will have to prove they have the sales and marketing prowess, and the market reach, necessary to compete with Cisco and Microsoft over the long haul. How Avaya executes the proposed Nortel enterprise solutions acquisition will be extremely important as well. Let's not forget about Genesys with

the deep pockets of Alcatel-Lucent and their strong indirect channels. A smaller innovative company (e.g., I3 or ShoreTel) could make its way to the forefront over time if they are able to stay focused and leverage unique strengths to grow the business. Other existing and new players will have the opportunity to challenge the big boys through creative investments and moves as well. The good news is that there is plenty of opportunity for many to continue to play in the contact center space. The question is, "Where will share shift occur, what new innovations will change the way we think about the market, and who will make the right moves to lead a long, healthy corporate existence?" It will certainly be fun to watch the mystery continue to unfold!

Appendix A:

Events That Shaped or Reflected Key Trends in the Industry

The following is a partial list of events that shaped or reflected key trends in the contact center industry. This list is not meant to be complete, and my hope is that we will discuss, debate and build upon it over time.

Year	Event	Why Important
1973	Rockwell introduces first ACD.	This was the birth of the ACD, and effectively the contact center marketplace.
1985	Aspect Communications founded.	A company focused solely on the contact center entered the marketplace, whose success validated the existence of a major market opportunity.
1987	PBX vendors begin to compete.	Recognizing the opportunity and strategic nature of the contact center, PBX vendors show that they are serious about the contact center market.
1996	Lucent spun-off from AT&T.	This reflected a growing trend of the financial market and, subsequently, suppliers placing a lower value on enterprise communications operations due to increasing competitive pressures and less desirable margins than alternative growth markets. Nortel would later sell-off of its direct channel (Nortel Communications Systems) and Lucent would spin-off Avaya. Further, Avaya would move to a more indirect selling model like Nortel.
1997	Genesys introduces competitive soft-ACD suite.	The introduction of a competitive ACD suite surprised many and the traditional suppliers were no longer eager to work with Genesys. However, they were forced to cooperate as a result of their customers' reliance on Genesys CTI technology and the influence gained in end-user IT organizations. This marked a new era of competition and proved to be a brilliant strategy for Genesys.
1997	Nortel introduces Symposium and sells its direct sales channel.	The Symposium introduction was an early example of a solution built to replace an existing legacy system. However, for various reasons, like many to follow, Nortel did not find it an easy road to migrate all customers to this new platform. An additional challenge emerged when Nortel sold-off its direct channel, Nortel Communications Systems, losing control over which products its largest channel would sell and service.
1998	Cisco acquires Selsius.	Cisco enters the PBX marketplace and forced the hand of all traditional players towards IP-based solutions. Cisco would later become a leading (IP)PBX player.
1999	Cisco acquires GeoTel.	Cisco makes a significant investment in the contact center market, helping to round out its suite of enterprise telephony solutions. This helped "pull-through" IP-PBX sales while the GeoTel technology was integrated and evolved. Cisco would later become a leading contact center player.
2000	Alcatel acquires Genesys.	Alcatel keeps Genesys name and runs as a distinct business unit. Genesys gains deep pockets and mature processes necessary to further expand market reach and influence.
2002	Avaya ships Multi-Vantage and IP Office solutions.	Avaya's introduces its IP-based offering, entering the race against Cisco for the IP-PBX/ACD market. Avaya's "hybrid" approach offered existing customers an evolutionary migration path to IP rather than requiring a forklift upgrade.

2003	Microsoft acquires PlaceWare.	Microsoft's first significant investment in web collaboration and IP-based communications. PlaceWare would become the bases for Microsoft's Live Communications Server (LCS) which is now part of the Office Communications Server (OCS) offering.
2004	Private equity investment firm acquires Concerto and takes private.	Concerto would be the first to be acquired by a private equity investment company and taken private in order to re-tool without the pressure, scrutiny of the public financial marketplace. Avaya would follow a similar strategy in 2007 when acquired by Silver Lake and TPG Capital.
2004	Concerto acquires Rockwell.	Together with the acquisition of Aspect Communications in 2005, marks then end of an era for traditional "big iron" stand-alone ACD platforms.
2004	Witness acquires Blue Pumpkin.	The beginning of a trend towards broader Workforce Optimization or Performance Management Optimization solutions. Verint would later acquire Opus Group and Witness. NICE would later acquire IEX and Performix.
2005	Microsoft acquires Teleo and MediaStreams.com	Making clear Microsoft's intention of further investing in IP-based voice communications.
2005	Scansoft acquires Nuance	The two largest ASR engine providers join forces, making the combined offering the industry de-facto.
2005	Syntellect acquires Apropos	Marking a trend towards IVR vendors delivering a broader solution offering to market, including ACD capabilities. Intervoice would follow with the acquisition of Nuasis in 2006.
2007	Private equity investment firm acquires Avaya and takes private.	The acquisition and privatization of such a large public company was significant. The event caused some to be optimistic about the potential for innovation, and some to be weary of the company's long-term viability.
2007	Microsoft introduces Office Communication Server (OCS) and Office Communicator	Microsoft's first direct play in the enterprise voice market, together with an effort to re-define the market in the broader context of "Unified Communications." OCS combined various real-time communications mechanisms, including IM, VoIP, and conferencing capabilities.
2008	Microsoft makes equity investment in Aspect Software	Microsoft makes an investment in the contact center space, beyond ASR (e.g., introduction of Microsoft Speech Server in 2004 and subsequent acquisitions of Unveil and Tellme).
2009	Avaya to acquire Nortel Enterprise Solutions Business	Avaya announces its intention to acquire Nortel's Enterprise Solution Business, marking the end of an era as a familiar name in the enterprise telephony space is to be acquired by one of its long-time competitors.