



Patrick Moorhead: Venkat, welcome to the Six Five Summit. And thank you so much for coming on here. I really appreciate that.

Venkat Nagaswamy: Thanks for having me, Pat. And points for pronouncing my name correctly.

Patrick Moorhead: I appreciate that. I try to get these things right. I mean, who doesn't want their name pronounced correctly? So boy, a lot of stuff going on at Mitel these days, but I think everyone wants to hear, what has Mitel been up to recently?

Venkat Nagaswamy: Excellent. So I'm new to Mitel. I've been here only for five weeks now. And quite literally, this is the fifth weeks, six weeks starting. My initial reactions are, I'm extremely impressed with how international the company is, right? We are a company with 35 million users around the globe. 65% of them are international. 35% are in the US. So the size and scope of Mitel is something that's truly impressive. And you ask me what we've been doing recently. We've added 1.5 million lines of users in the past year. 1.5 to 2 million is what we've been doing over the past few years. And when you think about the scale of that, it's stupendous. And especially coming from the cloud world where the life of the company has 1.5 to 2 million lines, us adding in only one year. That to me is super-interesting and super-sexy.

Patrick Moorhead: Yeah, it's incredible. Mitel has a great history. I mean, gosh, you've been in this space for 50 years. I mean, you're 35 million users across a hundred countries. I mean, it's impressive.

Venkat Nagaswamy: Absolutely. This is one of the few companies that I've worked with at where I'm almost as old as the company. And so the company turns 49 as of June, and it's going to turn 50 next year. You look at the company's history, it's one of innovation, right? We are the first in to use VPN phones for people working from homes back in the day. We were one of the first people to do VMs or the call control software in the VM, which back 10, 15 years ago was new. And today is par for the course for a lot of our competitors. So we have a track record of innovation, track record of doing a lot of things over the past almost 50 years that we've lived.

Patrick Moorhead: Yeah. It's been exciting. It's been a great run so far. So I want to talk about cloud. I mean, it's just amazing. The cloud started about 15 years ago, and it has really taken a lot of turns along the way. And there's been different definitions along the way, where cloud was a destination, cloud was an operating model. It's public cloud, private cloud, hybrid cloud. There's so many definitions out there. Seems like everybody has their own definition. And I'm curious, what's yours?

Venkat Nagaswamy: So it's instructive to start off with what's happened in cloud computing. And then we'll talk about how we are doing the same, right? So when you think about cloud computing, you had on-prem equipment and on-prem client service software. And then when we ended up with public cloud, was a one-size-fit-all public cloud. So public cloud is what I would describe in AWS, in Azure and so on. It's one size fits all, maybe raw iron that's private in the cloud. And then what



we've seen over the recent past is that it's not only about public cloud, but it's also about integrating the private cloud. I'm sorry, the on-prem equipment with the public cloud to create hybrid clouds. And then, of course, have private clouds in the market. So if the world has evolved into a one-size-fits-all public cloud to multiple variants of it, between on my on-prem equipment and what I'm going to deploy on my own private cloud, which I control and everything in between. And now cloud has come down to the edge as well.

And some people call it fog computing. And fog computing is now deploying cloud at the edge. And so when I look at all of these things, going to our definition. To us in a communications world, a public cloud is a pure Ucas world, on-premise is us and we, Mitel, can do everything in between. And we can talk about more about that. The key thing to understand is that at your earlier point, or the point behind the question, public cloud is not just about one thing. Cloud is a business model, is a way you deliver it. The way I like to think about it is to think about it as in a Jobs-to-be-Done framework, right? From a Jobs-to-be-Done framework, the customer is looking for communications. They don't really care whether it's at the edge, whether it's in the cloud or somewhere in between.

Patrick Moorhead: Yeah. I mean, the maturation of cloud has been a positive thing. I mean, 10 years ago it was, "Hey, go to the public cloud or you're crazy." And then about three to four years ago, Andy Jassy got on stage with AWS and brought out outposts, and which was very much a hybrid on-prem solution.

Venkat Nagaswamy: Yeah, exactly.

Patrick Moorhead: And even though everybody had done this previously, that was the moment where nobody can deny that the hybrid cloud is where the world is going. And at least from what I've researched and talked to Mitel about, this is where you're headed.

Venkat Nagaswamy: Absolutely. So I like to characterize Mitel as the Burger King of communications. Have it your way. And for our software, our platforms that we have, you can deploy it on-prem in a closet. You can deploy it on your own VM, out in the cloud. Or you can go partner with our partnership with RingCentral, go a pure public cloud in terms of what you get in newcast. And so this choice, this flexibility, this ability to deploy what the customer wants, that's the core strength of Mitel.

Patrick Moorhead: Yeah. Imagine that, doing what the customers want. And absolutely. And there is a reason on the data side of the cloud that 75% of data is still on-prem. There are reasons for this, right. And it's typically critical applications that customers have decided not to move there. So cloud is an operating model. It's not a place.

Venkat Nagaswamy: Exactly.

Patrick Moorhead: It's an operating model. It can be on-prem. It can be on the edge. It could be in the public cloud. It could be in a colo as well.



Venkat Nagaswamy: Yeah, absolutely. It's a bit of an attitude, I would say, rather than any one of those things, right? Yeah.

Patrick Moorhead: Yeah. So let's drill into the communication environment, in order for businesses to modernize. I mean, what does that mean? And what does it mean for that? Does it mean that everybody's going to the cloud? I think I know the answer of this, but I want to hear it your words.

Venkat Nagaswamy: So short answer is no. Of course, there's a much longer answer for this. So when you look at again, going back to the point around Jobs-to-be-Done framework, right. What is a customer hiring us for? A customer is hiring us for providing communication services, and how way in which they want it to be. Now, there seems to be a misconception. And I admit, having worked in the Ucas space before, we were one of those people causing this miscommunication, that everything is inevitably going to go into the cloud. On-prem is an old paradigm, it's going to die and everything is going to move to the cloud. Now, there's an old saying, old soldiers never die. They only fade away. And I think you can say the same thing about paradigms. And even old paradigms never die. And I don't think they even fade away.

They just exist in a minor form somewhere. So anyway, so when you think about it in Jobs-to-be-Done, and when you think about different paradigms, customers are asking us to do different things. Today, the world is a hybrid world. You need to have people on your premises, and people working remotely. Now my former colleagues at McKinsey, they had a report coming out when COVID started. Only 20% of workers in the US are knowledge workers who can work from anywhere. You, me, that we can do our jobs from anywhere.

50% of people, it's not even an option for them. And the rest are somewhere in between. So it is a hybrid world. So you need to have what the customers are asking for is a communication that allows them to do all of these things. And again, when you think about it coming back from the customer standpoint, that cannot be one answer. That needs to be everything in between. It is about people who want to provide on-prem conversations. That are people who want to be remote. And for them, Ucas is a perfectly good solution. And Mitel, we can offer everything in between.

Patrick Moorhead: I actually love that analogy that you just used. And I might steal it and use it as my own. Maybe I'll give you a credit, Venkat. But listen, I've learned a lot of lessons over my 30 years in tech, and one of them is technology is a study of ands, not ors, okay. Everybody loves to dish on the mainframe, mini-computers, on-prem servers, PCs. And what happens is, none of them go away. What they do is transform. And they find a way to keep adding value. And back to your hybrid work example. It's a great example. I mean, there was this notion that everybody everywhere was going to work remotely, and that was crazy. But what we've learned from hybrid work, I think, leads us into what it takes to do communications like this. And one of them, and it's harder. It's harder to have hybrid than all on-prem, or all remote. So it really is a transformation exercise. And I'm curious, what do you see your role in this transformation exercise to hybrid?

Venkat Nagaswamy: Absolutely. So let me list this with my wife's use case, right? So she's a professor at City College in San Francisco. I point here as if you can see I'm pointing to City College, but anyway-



Patrick Moorhead: I trust you. Yeah.

Venkat Nagaswamy: So she teaches. When COVID hit, they had to switch into a remote model immediately, right. And all the teaching was done over video. And then now, they've gotten back into an on-prem world. And it's in, and some classes are done on campus and some classes are done off-campus. And so when you think about communications, there are phones in classes. There is phones in her office, and then she's here. And so how do you drive this kind of seamlessness where you want the customer to have a seamless experience? Now there's another one of our customers. Binghamton University does the same thing. They had the similar use case with 20,000 seats, what they wanted to be able to do that. And so what we can do, Mitel, because we can deploy, we have on-prem equipment, our platforms can be deployed on the cloud. And platforms have CloudLink, which allows you to tie other cloud solutions to the product.

Right? And we ourselves have 2000 applications that integrate to this. But because of CloudLink, we can also integrate other solutions to it. So what this allows you to do, again, starting from a customer standpoint, it allows you to A, have different use cases. B, allows you to have different management use cases, because some people might want to manage everything on-prem. Some people want to manage things in AWS. We can manage all the applications together, and sure. Security and so on and so forth. Right? So when you bring all of these things together, transformation, digital transformation is about enabling businesses to execute what they're looking to do and fulfill their mission. And allowing them different tools, they can customize whatever they need to do to execute what they want to do. So anyway, so that's where Mitel can do, because again, we are the Burger King of UC, where you can have it your way.

Patrick Moorhead: So I want to get a little specific here. Maybe for those who are unfamiliar with your portfolio, what does your portfolio look like? And I know you're only five, six weeks into the job here, but I'm sure you know it really well.

Venkat Nagaswamy: So our core software is our platforms. And these are the platforms that can be deployed on-prem, can be deployed on-prem in the closet, or we can put in the cloud in a VM or where have you. And then this core platform is tied to UC applications, and contact center applications. And then it, of course, then goes to our devices portfolio. We've recently introduced 6900 award-winning platforms. We also use DECT phones that a lot of our nurses use, and excuse me. So those are other parts of our portfolio. So platform is the first, leading the application for UC and CC, and then devices. Those are all part of the portfolio. And all of these things are tied together with CloudLink, which is our open API integration platform that allows us to integrate with any cloud. So this is one of those things that allows you to use your existing on-prem equipment and existing platform to integrate the new applications that you might not have thought about earlier.

Patrick Moorhead: This sounds so much like what customers are doing on the data side of compute and storage. I mean, it's not like this is the first time anybody's doing this. So I think that would give confidence to your customers as well. It's not like this is the first time somebody has gone hybrid. There are hundreds of thousands, if not millions of customers doing that. So from a risk standpoint, hopefully it makes them feel low. So we all agree that on-prem, edge, colo and the public cloud



is part of this entire hybrid piece here. So can you talk about your partnership with RingCentral? How does this play into the hybrid equation?

Venkat Nagaswamy: Absolutely. So when we talk about have it your way, one of have it your way is having everything in a public cloud. And that's where our RingCentral partnership comes in, right? So we are the only players who can offer this end-to-end solution to our customers, starting with on-prem. To a public cloud, to a hybrid cloud, to a... Actually, I should reversed it. To a public private cloud, to a hybrid cloud and a public cloud. And RingCentral is our public cloud option. That going to be some chunk of population, especially with a huge amount of knowledge workers for whom public cloud is the right solution. And that's the reason we've partnered with RingCentral. It's an award, it's the largest Ucas vendor in the world. It has won multiple Gartner Magic Quadrant Awards. And so we found the right partner to work with to provide that option. Should the customer want it, should our partners want it.

Patrick Moorhead: Yeah. I love that choice, by the way. I'll admit I liked it. So I'm sure you wouldn't have gone this path without talking to your customers and partners. And, but I'm curious, how would you summarize the customer and partner reaction to all of this?

Venkat Nagaswamy: Actually, it's been great. So our partners and customers have been asking for award-winning, leading platforms for every use case that they want. And this allows us to provide that. What our partners love about this is that because we are the only ones who can offer this end to end, they are the only ones who can offer end to end. And our partners again, are because they're tied to the customers, they can offer this to what are the use case that the customers might want.

So starting with the customer growth, our partners have deep relationship with customers. And when you start with the customer truth, our partners generally want to be able to offer the right solutions to the customer. And often, historically, many partners, not us, but other vendors and us too, to some extent, we were not providing all the tools to the partners to be able to do that. But today, because of this choice, because of cloud links, because of RingCentral partnership, our partners can do this. And therefore it puts them at an advantage to solve the customer truth. To do the problem, to solve the problem that the customer is looking for them to solve.

Patrick Moorhead: Venkat, this all sounds great. I'm curious, how far are you down the development curve of what you've talked about? Is this something that is all ready today? Is this all going to be ready at the end of the year, next quarter? Where are we in that process?

Venkat Nagaswamy: You can call our partners today, and you can get it. And so our partnerships are going well. We've started transitioning some of our existing ShoreTel and our historical acquisition on ShoreTel and Mitel cloud customers to Ring. And if you've read the RingCentral 10K, they talk about how this is one of the best partnerships that they've had. And so the partnership is off to a very strong start. There is a big communications and I'm sorry, insurance and insurance services vendor. And they have about 8,000 seeds, and they were one of our lead customers. And they've started the transition to Ring, and they love it.



And so this transition is happening, and we will continue to execute it as time goes by. One of the things is that in this partnership, we've certified our equipment. We've certified our 6900. So a lot of our customers can take the existing equipment, and have assurance that it's going to work seamlessly with RingCentral. We've provided migration tools for our partners, so they know how to transition customers from one to another seamlessly. So we are the only, if you are either on Mitel cloud or on Mitel prem, RingCentral partnership with Mitel is the only way that you can do with a low risk, and low risk can do it quickly.

Patrick Moorhead: Well, sounds like a good strategy. And I like what Mitel is doing. Kind of have your cake and eat it too, meet your customers where they are regardless of their deployment. And it sounds like execution is very well down the road.

Venkat Nagaswamy: Absolutely. And we are looking forward to the future. And again, because we are the Burger King of communications, we are the only ones who provide all these tools that our partners can use to serve their customers.

Patrick Moorhead: I appreciate it. Thank you. It's been great meeting you. I saw the press release come along that you were joining Mitel. I didn't think I'd be meeting with you so quickly, but thank you so much for being part of the Six Five Summit 2022. And I hope we get to meet in real life soon.

Venkat Nagaswamy: I hope so. And I'd love to buy you a beer one of these days, Pat.

Patrick Moorhead: I'm in for it. I like that.

Venkat Nagaswamy: Cheers.

Patrick Moorhead: Take care.

Venkat Nagaswamy: Take care. Bye.