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Communications Technology Insight: Video-Enabled Collaboration in the Enterprise Has Penetrated More than Half of Large Organizations ... But is Used Sparingly

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INDUSTRY SURVEY
Video-Enabled Collaboration in the Enterprise Has Penetrated More than Half of Large Organizations...But is Used Sparingly

Executive Summary

Video-enabled collaboration today is used in limited manner by a broad cross-section of industries in the United States. However, as technology-driven business processes that leverage video-enabled collaboration mature over the course of 2011, and the use-cases become more clear, enterprise technology decision-makers are planning to expand the use of this technology to reduce costs, improve operational efficiencies and enhance productivity.

*This is the central finding of a survey conducted in February 2011 by **Voice Report**, a publication of CCMI, and **BizTechReports**, an independent reporting agency that covers enterprise technology trends. The research team surveyed 125 executives across different industries on their utilization of video-enabled collaboration tools to facilitate and enhance communications across their enterprise.*

For approximately half of organizations (50.8 percent), video-enabled collaboration currently accounts for less than 10 percent of their inter-office communications. However, over the next year 56.8 percent plan to deploy this technology to more locations in their enterprise, and 58.5 percent have indicated that they will increase their video-enabled collaboration budgets over the next twelve months.

Introduction

Video-enabled collaboration encompasses network-based services that allow enterprise users in disparate locations to meet and work together in real time by sharing video and other on-screen content as well as voice communications. This survey set out to understand how enterprises of all sizes are deploying video-enabled collaboration capabilities and what benefits they expect to gain.

- While two-thirds of technology executives that responded to our survey report their organizations already use video-enabled collaboration in some capacity, more than half say they are planning to expand their investments even further during 2011.
- Despite this show of confidence in the value and benefits of video-enabled collaboration, many respondents still express concerns about the quality and reliability they currently experience from their solutions.

More than 67 percent are already using video-enabled collaboration within their enterprises.

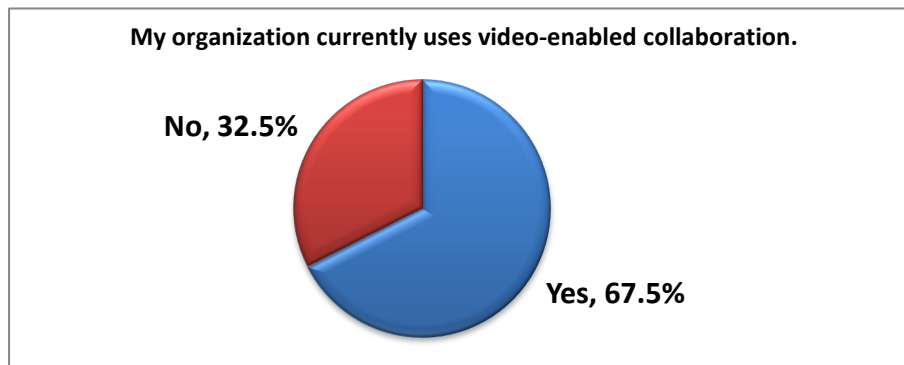


Figure 1

Broad Adoption Well Under Way...But Scope is Limited

According to survey respondents, more than 67 percent already use video-enabled collaboration within their enterprises (Fig. 1).

Of the 32 percent that do not use video-enabled collaboration, more than half (52 percent) say they are waiting to see how it works for others (Fig. 2). Some 47 percent believe that implementing video-enabled collaboration is too costly, while 32 percent are concerned about end-user adoption. More than 23 percent say they don't use video-enabled collaboration because they are concerned about the administrative burden, while 11 percent are concerned about reliability and security.

The concerns are typical for a technology that is only just now hitting its stride, says Mark Ricca a partner with IntelliCom Analytics, a Parsippany, NJ-based professional services and technology research provider focused on the rapidly-evolving intelligent business communications market.

"If in fact video is going to be used in the enterprise – even if it is in a small and very functional specific area – then first and foremost, it is important to measure what video-enabled collaboration is delivering to the organization," he says.

"Establishing a measurement framework is key because no one is going to want to move forward with an initiative that has the potential to be expensive – at least in the initial stages of implementation – unless they have tangible evidence of savings, cost avoidance, cost containment and/or revenue generating benefits."

Almost half of non-users believe that implementing video-enabled collaboration is too costly.

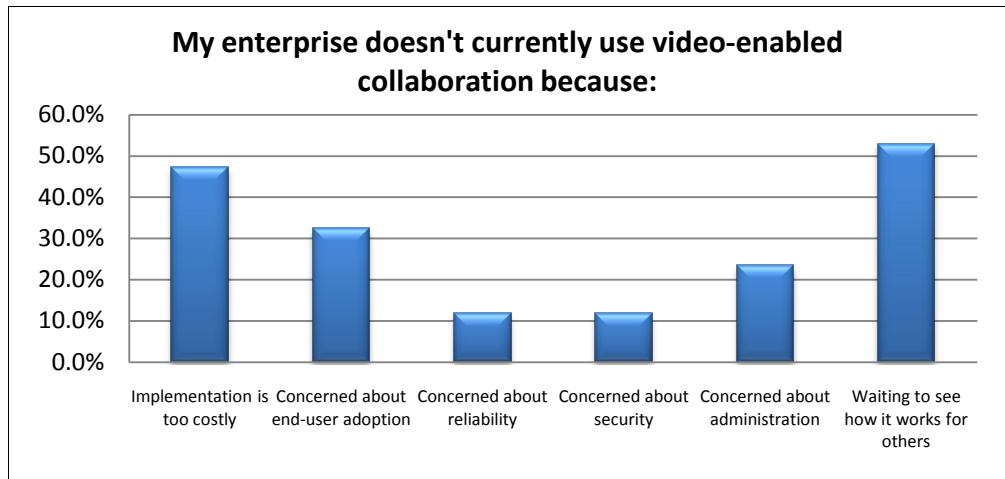


Figure 2

Benefits of Video-Enabled Collaboration

Almost 70 percent of respondents believe that the interactive features offered by video-enabled collaboration services are a significant benefit over legacy teleconferencing (Fig 3). Among the other major benefits respondents identify are improvements in user productivity (60 percent), utilization of IP networks (53 percent), greater end-user satisfaction (52 percent), and cost savings (51 percent). Some 30 percent cite more efficient administration, while 27 percent perceive the customer service/support they receive from video-enabled collaboration service providers as a benefit.

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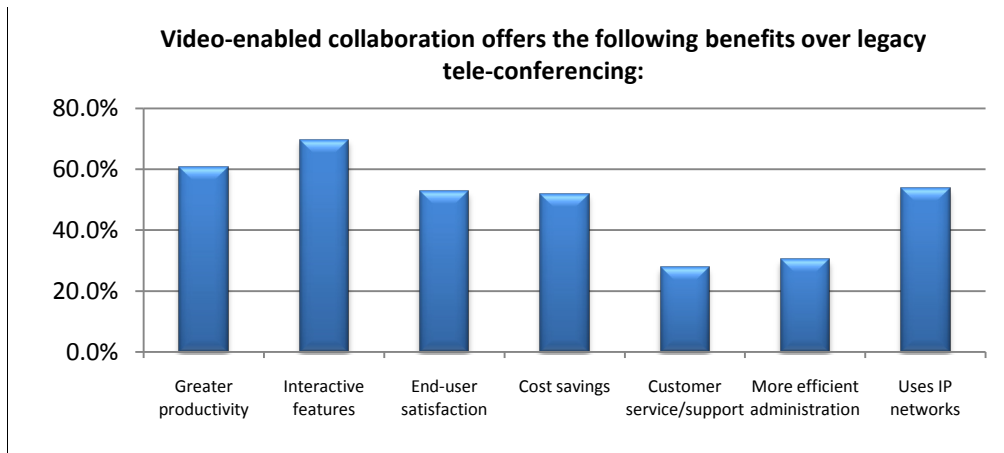


Figure 3

This survey reveals that while 67 percent of respondents report some use of video-enabled collaboration, utilization within their enterprises is far from pervasive. Half of respondents report that video-enabled collaboration accounts for less than 10 percent of their organizations' inter-office communications (Fig. 4), suggesting that more traditional approaches to collaboration are still adequate – or even preferred by users in many cases. Some 22 percent report using video-enabled collaboration 10-19 percent of the time for inter-office communications, and 4 percent report using it 30-49 percent of the time.

Half of respondents report that video-enabled collaboration accounts for less than 10 percent of their inter-office communications.

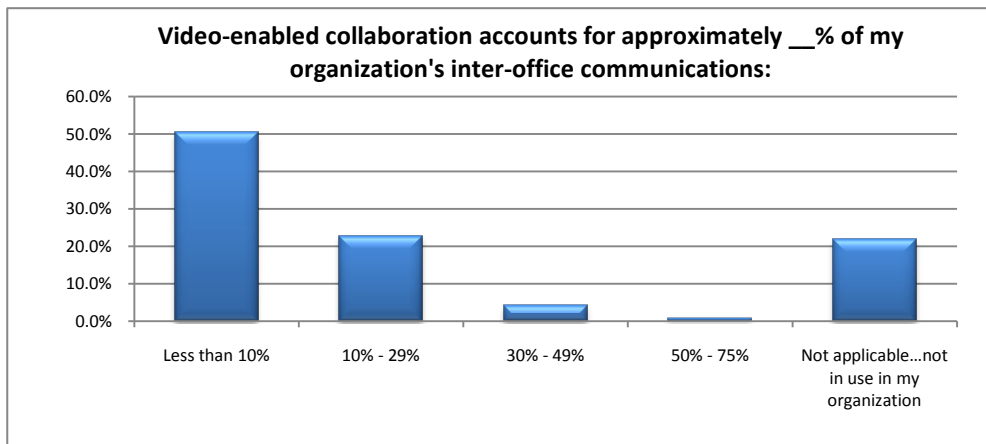


Figure 4

While more than half of all respondents cite cost savings as a major benefit that video-enabled collaboration offers over legacy tele-conferencing, 40 percent report saving less than 10% over their previous travel and meeting costs (Fig. 4). Only 31 percent report costs savings greater than 10 percent. Some 19 percent report savings of 10-29 percent, and 8 percent report saving 30-49 percent. Only 3 percent of respondents found savings of 50-75 percent over their previous costs.

The true benefits, of course, are going to emerge from how organizations tailor their implementation to the needs of their most important user groups in the enterprise.

“There is a fair amount of planning that is required on the front end of the implementation to make sure that organizations are selecting the right tools for the right requirements,” explains Ricca.

“There are a range of offers that differ significantly in terms of cost, capability and utility,” he adds. “One size does not fit all in the video business. Internal research is vital to understanding the needs and desires of power users – these are the people who are primarily responsible for driving revenue, customer service and satisfaction, as well as margins.”

These are the users who need to be exposed to the opportunities presented by video-enabled collaboration, Ricca notes. “If you get a handle on the requirements presented by this group, then everybody else can just trickle down from there.”

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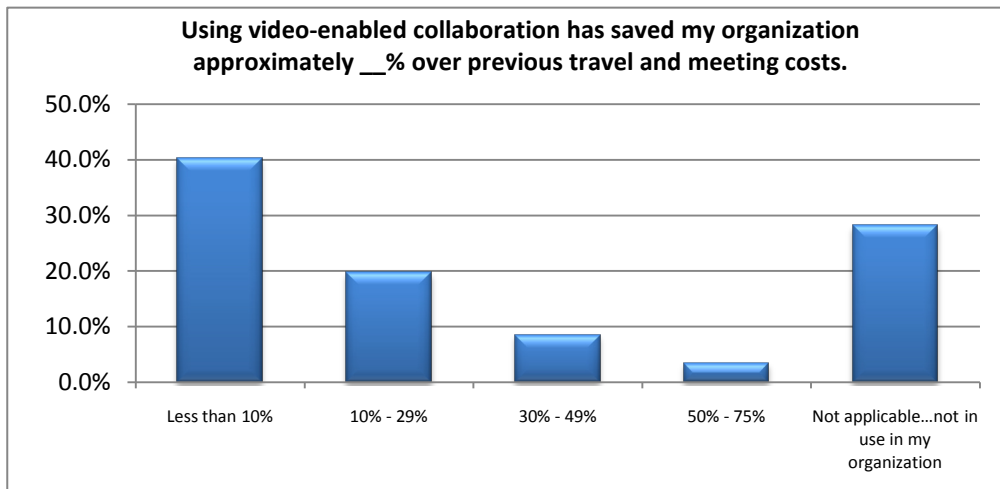


Figure 5

Understanding the Nature of the Business Video Landscape

Until recently, business video has been a promising solution, looking for the right problem to solve. But according to Mark Ricca, a partner with IntelliCom Analytics, our current global economic environment has created a broad range of problems, needs and objectives that business video solutions are increasingly well-suited to address.

“A key to success is that video solutions must be carefully matched to users’ business requirements, preferences, expectations and budget,” he says. Here are some basic, but essential guidelines to follow when considering a video solution for your business.

- **Apply The Right Video Solutions To The Requirements** - Know your requirements. Understand the specific needs to be addressed and/or problems to be solved. Remember that one-size-does-not-fit-all. There are a growing number of video solutions and devices in the marketplace. More are introduced every few months. They include:
 - Mobile Tablets and Smartphones such as:
 - ◆ Avaya Flare ◆ Cisco Cius ◆ Apple iPad
 - ◆ Apple iPhone 4 ◆ Motorola Droid Bionic
 - Software Based Desk-Top Video such as:
 - ◆ Polycom PVX ◆ Tandberg Movi
 - Video Phones such as:
 - ◆ Polycom VVX 1500 ◆ Cisco Unified IP Phone 9971G
 - ◆ Grandstream GXV 3000
 - Desktop Units such as:
 - ◆ Tandberg 1700 MXP ◆ Polycom V700
 - ◆ HP SkyRoom ◆ Radvision VC 240

- Room Systems such as:
 - ◆ Cisco 3200
 - ◆ Polycom OTX
 - ◆ HP Halo
- **Network Requirements** - In general, high-definition video solutions require a fair-amount of bandwidth. Even though various forms of compression techniques are reducing video bandwidth requirements, this area must be carefully investigated and evaluated. Have a qualified professional conduct a network audit that factors in all current and emerging data, video and voice traffic and priorities.
- **Security Provisions** - Investigate the current and potential physical, logical and policy provisions for video solutions. Tighten-up those areas that may be vulnerable.
- **Develop A Business Case For Video Solutions** - Identify and qualify the “power users” and “critical business functions” that can benefit from effective video solutions. Quantify realistic opportunities to reduce, contain and avoid expenses. Develop a potential ROI.
- **Video Service And Support Offers** - Similar to most other technologies, video solutions require service and support at times. Investigate the various “forms and flavors” of video support services that are available from qualified providers. Select those that are best for the needs of your organization. Factor those costs into the business case.
- **Manage The Use Of The Video Solutions** - Train users on “best practices” and “effective video solution use techniques.” Track usage to monitor the “actual” ROI. Take corrective management actions, as appropriate.

Plans for Growing Investment in 2011

Even though 67 percent of respondents already use some form of video-enabled collaboration in their enterprises, most indicate that their organizations will invest even more in 2011. A majority of respondents (58 percent) say their organizations plan to invest more on video-enabled collaboration during 2011 than they did in 2010 (Fig. 6). This shows consistency with the previous year’s growth trend, where 52 percent of respondents reported spending more on video-enabled collaboration during 2010 than in 2009. Only 15 percent of respondents reported that their organizations would not spend more on video-enabled collaboration in 2011.

58 percent say their organizations plan to invest more on video-enabled collaboration during 2011.

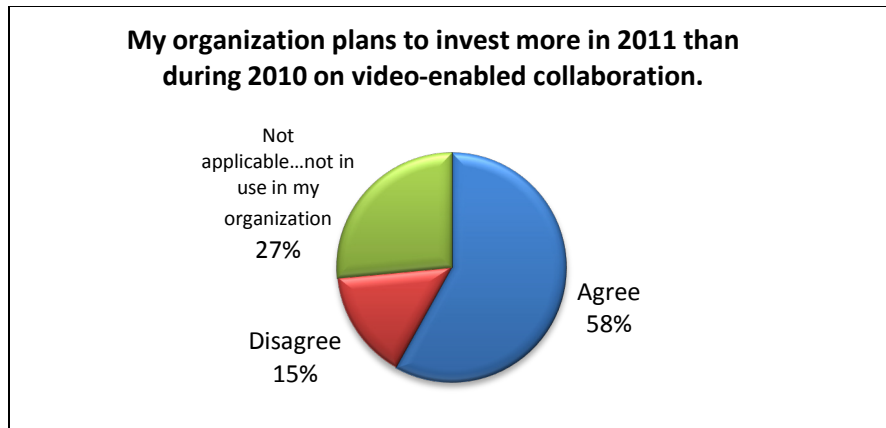


Figure 6

Another indicator of the positive growth trend for video-enabled collaboration services revolves around organizations' plans to expand utilization within their enterprises. In keeping with greater investment in 2011, a majority of respondents (56 percent) also reports that their organizations will deploy video-enabled collaboration to more locations during 2011 (Fig. 7).

Again this trend is consistent with the previous year, when 49 percent reported deploying video-enabled collaboration capabilities to more locations during 2010 than during 2009. Only 17 percent of respondents indicated that they would not deploy video-enabled collaboration to more locations in 2011.

A majority of respondents reports their organizations will deploy video-enabled collaboration to more locations during 2011.

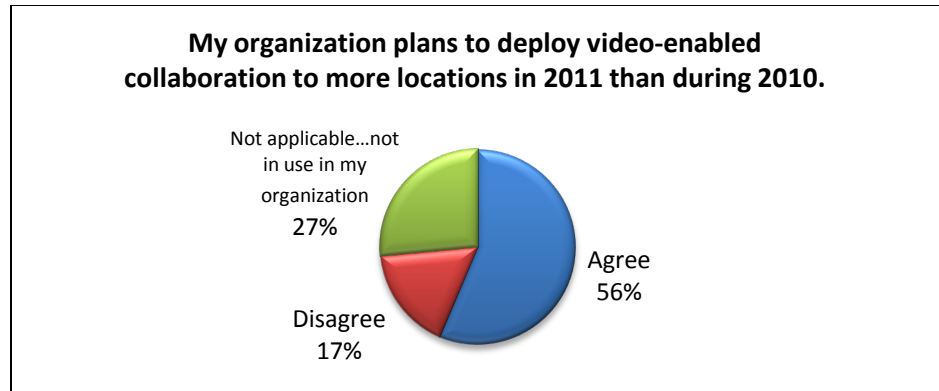


Figure 7

Challenges for Users

When asked about the challenges their organizations experience using video-enabled collaboration, more than one third (36 percent) report issues with video quality (Fig. 8). Some 33 percent cite issues with reliability, while 31 percent experience issues with administration. One quarter of respondents (25 percent) report experiencing issues with user satisfaction and sound quality, while 21 percent found issues with technical delays.

Some 11 percent faced issues with customer service, 10 percent cite unexpected costs, and only 5 percent report security issues with their video-enabled collaboration tools or services. Nearly one third of respondents (31 percent) report no issues or problems using video-enabled collaboration.

Nearly one third of respondents report having no issues or problems in using video-enabled collaboration.

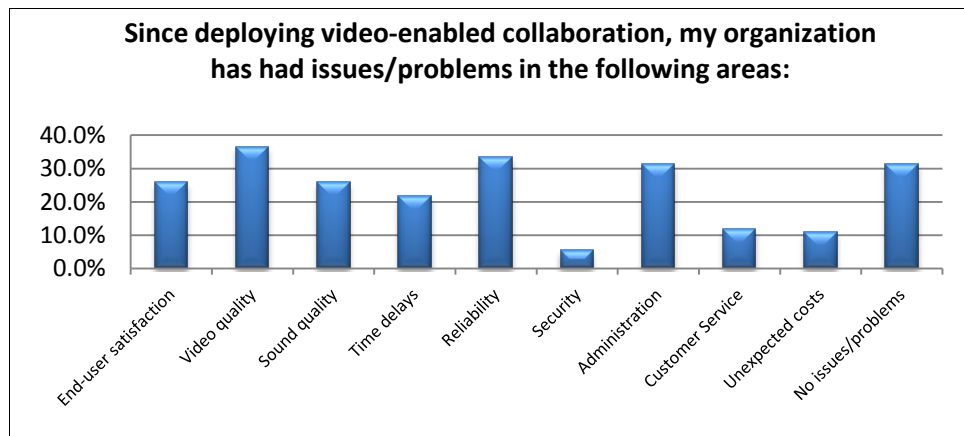


Figure 8

Applications for Video-Enabled Collaboration

Another objective of this survey is to determine the functions or features users want their video collaboration to support. More than half (56 percent) report using desktop sharing features, while 43 percent say their organizations use video-enabled collaboration for training purposes (Fig. 9). Only 31 percent report using video-enabled collaboration for presence functions and 28 percent for instant messaging. Currently, only 10 percent of respondents say their organizations support mobile device access for video-enabled collaboration, and only 6 percent say they currently use it to support contact center operations.

Only 31 percent report using video-enabled collaboration for presence functions.

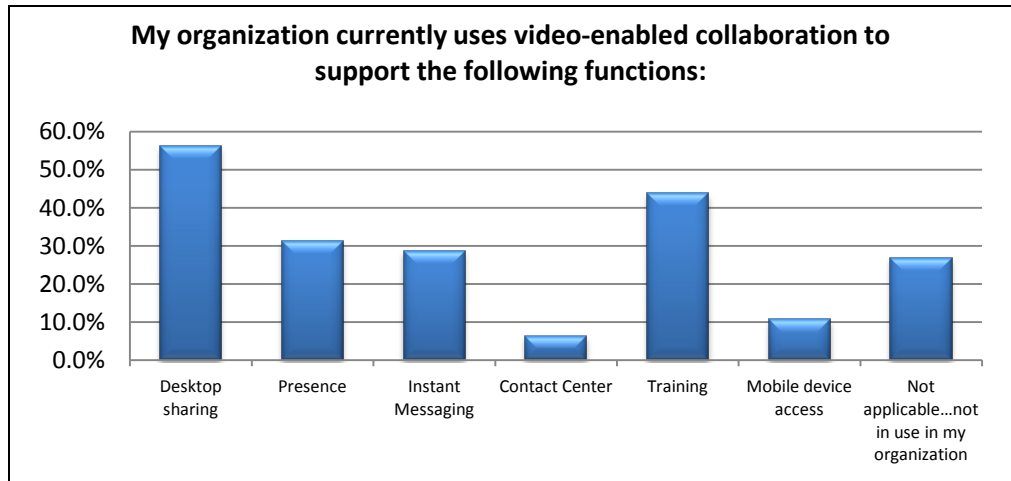


Figure 9

When it comes to future plans, many respondents are interested in deploying new video-enabled collaborations functions within the next year. During that time, nearly half (45 percent) say their organizations will evaluate using video-enabled collaboration to support training functions (Fig. 10).

Additionally, 38 percent report plans to evaluate desktop sharing and presence capabilities, while 28 percent say they plan to explore capabilities to support mobile device access for video-enabled collaboration. Some 20 percent say they plan to evaluate instant messaging functions and 19 percent say they plan to consider video-enabled collaboration to support contact center operations.

38 percent report plans to evaluate desktop sharing and presence capabilities in the next year.

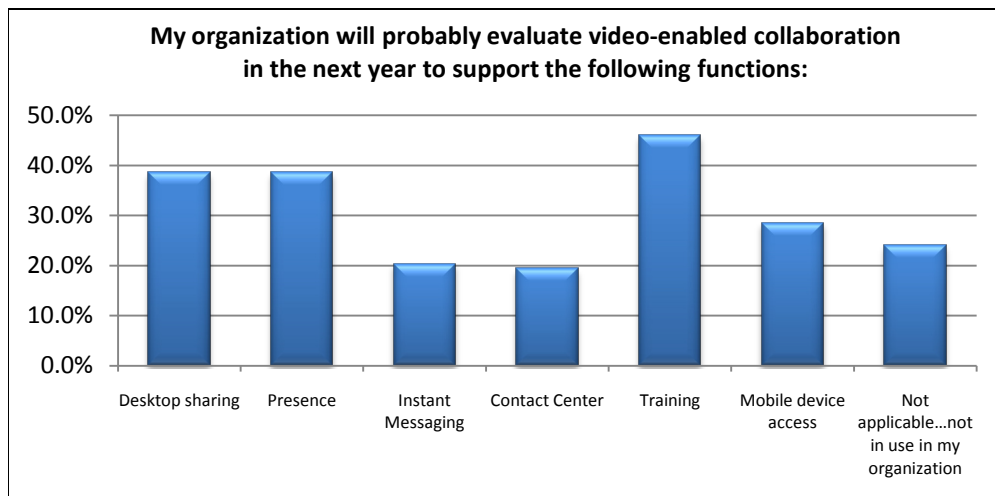


Figure 10

Conclusion

As this survey from *Voice Report* and *BizTechReports* reveals, video-enabled collaboration appears to have a healthy outlook this year. Most organizations already use video-enabled collaboration in some capacity, and spending in this technology sector will continue to grow as enterprises expand their investments and deploy capabilities to more locations throughout 2011. Compelled by expected benefits such as greater productivity and feature-rich experiences, enterprise decision-makers seem confident that video-enabled collaboration will bring value to their organizations. As this market continues to mature, however, it is important for service providers and enterprise administrators alike to address the performance issues – such as video/sound quality and reliability – that users currently perceive from their video-enabled collaboration experiences.

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