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The Benefits of Video in a Converged Communications Environment



A Frost & Sullivan
Business Brief

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A PICTURE ENHANCES A THOUSAND WORDS

In an increasingly virtual workplace, advanced communications are changing the way people interact, communicate and collaborate. Converged communications infrastructures—layered with conferencing and collaboration applications and services—are helping companies support a growing number of dispersed employees, allowing them to be more productive, cut costs, decrease cycle times, speed decision-making, and boost the bottom line. Within this mix, video collaboration lets organizations leverage the benefits of face-to-face communications without the travel costs and productivity downtime that typically accompany in-person meetings.

Research clearly shows that people understand more when they see people speaking, rather than just listening to their voices or exchanging thoughts via text-based messaging and e-mail. In an increasingly complex and global marketplace, giving users the ability to read facial expressions and body language via video conferencing helps employees overcome language and cultural barriers, while deepening personal and business relationships.

And while video meetings are much less expensive than their real-world counterparts, the return on investment (ROI) is even higher when video is run over an IP network. With video over IP, there are no per-minute charges; once a company has invested in the network and its chosen video hardware and software, day-to-day usage is effectively free. Video collaboration also saves time and increases productivity, since participants can skip the hours or days that would otherwise be consumed by travel. The need for business travel may always exist. But a workforce armed with collaboration tools, and encouraged to use video-enabled meetings as a viable substitute for travel, will minimize lost productivity, boost adoption and utilization rates, and drive ROI.

This paper will identify the benefits of video collaboration in a changing workplace; highlight the ways in which video over IP can help companies save money and management costs; and offer real-world examples of how companies are using the technology to improve productivity and their bottom line.

VIDEO COMMUNICATIONS DRIVE COLLABORATION

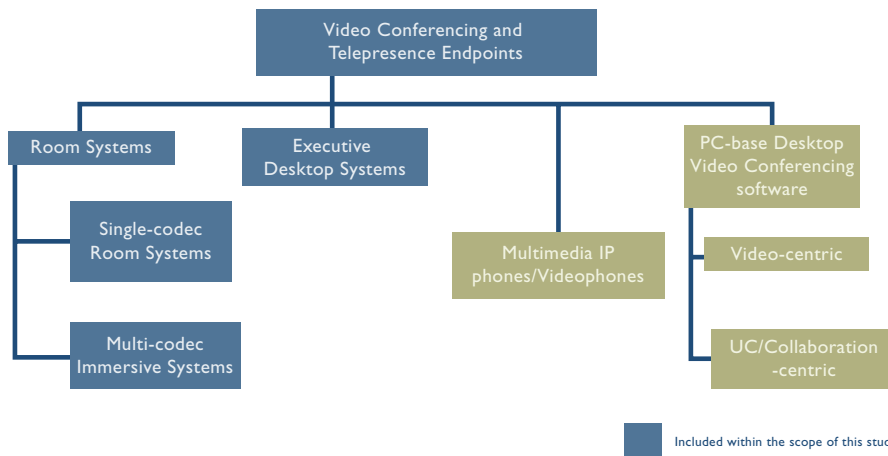
As companies support a growing number of “virtual” employees—people who work in locations that are different from those of their colleagues, managers and direct reports—they must make it easy for them to communicate with co-workers, partners, customers and suppliers anytime and from anywhere. By nature, humans are social beings, and we place value and meaning in visual cues, especially in the context of cross-cultural interactions. In-person meetings, both formal and ad-hoc, have long been a driver of collaboration in the enterprise, since participants who can read facial expressions and body language can better interpret what’s being said and gauge their colleagues’ reactions.

Video conferencing supports such interactions easily and cost-effectively, without requiring everyone to be in the same place. Certainly, more travel isn’t the answer. Aside from the

hard-dollar costs, which continue to rise, travel incurs soft-dollar constraints, including increased stress, loss of productivity while in transit, and negative impacts on work-life balance. Likewise, the opportunity costs can quickly stack up, especially when employees can't meet face to face with customers or partners, and as a result, are unable to react in time to potential new deals.

Video conferencing helps companies stay agile in an increasingly complex marketplace. This is one of the main reasons total vendor revenue for video conferencing and telepresence endpoints in Europe reached \$473.9 million in 2011, a 15.8 percent growth over 2010, and why the European market is expected to grow to \$956.4 million by 2016, with a compound annual growth rate of 15.1 percent.

Video Conferencing and Telepresence Endpoints Market: Market Segmentation, Europe, 2011



Source: Frost & Sullivan analysis

Not only are employees who have access to video technology more productive than they would be if they had to travel to attend face-to-face meetings, they're more likely to participate in face-to-face meetings when they otherwise would rely on an audio call or e-mail exchange. That flexibility allows them to make their own collaboration choices on a regular basis, giving them the option of maintaining connectivity on any device and in any location as part of an on-demand approach to video engagement.

VIDEO IS PART OF A UNIFIED COMMUNICATIONS TOOLKIT

IT managers shouldn't think of voice, video, IM, presence, and social software as stand-alone applications. Companies continue to deploy unified communications (UC) in order to enable click-to-connect capabilities for all their employees. Any long-term communications strategy should integrate a wide selection of communications and collaboration tools, giving employees access to the media they need, when they need it.

The majority of organizations have deployed Voice over IP for the promised savings in telephony costs. But the new technology comes with a significant initial capital investment—a fixed cost whose ROI is typically measured in years, not months. By running other applications like video on the new IP network, companies can significantly shorten the ROI cycle.

Integrating video conferencing with new and existing desktop UC applications increases user comfort and ease of use, driving collaboration, productivity and ROI. That has a trickle-down effect, spurring employees to leverage more robust video systems on a group or team basis for situations that require a higher-quality video experience. IP networks support such integration, making it easier to initiate, thereby increasing the benefits of running video and other collaboration tools over IP.

Increasingly, video vendors like Polycom are working with UC providers such as Microsoft (for Lync or OCS), IBM (Sametime), and Siemens (OpenScape) to ensure that when video is introduced into the workplace, it is within the parameters of the productivity tools end users and technical support staff are already familiar with. Integrating video into other communications and collaboration tools drives usage, effectively making it a part of employees' day-to-day workplace routine. As a result, employees are better able to collaborate in a variety of settings, and video conferencing becomes part of improving key business processes.

Video over IP: Boosting Your Bang for the Buck

Clearly, video conferencing can be an advantage for organizations with a large remote workforce, or that have the need to communicate regularly with customers, partners and suppliers. But even when it comes to new and effective communications tools, companies continue to look for ways to drive down costs, especially as they span geographic boundaries. Video conferencing has a proven ROI, which is often initially based on the number and cost of in-person meetings that are replaced by video calls. Frost & Sullivan's research shows that companies typically spend \$1,000 or more per employee on travel-related costs (including transportation, hotel and meals) for in-person meetings. Throw in softer benefits such as improved productivity, faster response times to new business opportunities, the ability to maintain business continuity, and the positive environmental impacts video enables, and video's ROI skyrockets.

Running video conferencing over an IP network can boost a company's investment return even further. Video over IP costs significantly less than its traditional counterpart. It better supports integration with other applications and services, offers significant management and performance benefits, and includes benchmarking statistics that show where problems lie and how they can best be resolved. With its lower setup, configuration and resource requirements, as well as lower maintenance costs and improved scalability, video over IP makes life easier for IT. Managers can keep maintenance and technical support costs in check by using management and scheduling tools, while administrators can manage video conferencing remotely from anywhere, which increases reliability and performance.

On the user side, launching a video conference today is—or should be—as easy as placing an audio call or sending an e-mail. This new standard for ease of use significantly reduces the cost and time spent on training both IT staff and end users.

Ultimately, all these benefits increase usage, which companies can leverage to boost ROI. Because there is no incremental cost in running a video conference over IP, employees are much more likely to use the technology. As usage increases, so does ROI. And because the technology is so easy to deploy and manage, it frees up IT to work on more strategic initiatives.

CONCLUSION

Video conferencing can address some of the biggest business challenges facing organizations today: the need to support geographically dispersed employees, regardless of what type of network or endpoint device they are on or have access to, and allowing them to function as a single, collaborative team. The desire to shrink decision time and shorten production cycles; the demand to respond to new business opportunities; the ability to deliver faster, more efficient customer service and partner support; and the requirement to lower operational costs while increasing worker productivity are all some of the attainable business benefits associated with investing in a video conferencing solution.

Smart companies are deploying a variety of video conferencing endpoints, services and applications to their end users to enable visual communications around the world and across any network. By deploying video over IP, these organizations are lowering costs, streamlining management and improving ROI—all while driving worker productivity and customer satisfaction.

The Vaillant Group Replaces Travel with Telepresence

Since its founding in 1874, the Vaillant Group has been one of the market leaders and technological pace-setters of the heating, ventilation and air-conditioning industry, with operations in more than 20 countries, more than 12,000 employees, and 2.3 billion Euros in annual sales. Vaillant Group's success is based on its emphasis on quality, speed, flexibility and customer service. When the company decided to reduce travel across its regions, it still needed to optimize communications and knowledge-sharing among its various locations to keep the same level of engagement, while becoming a more sustainable organization.

Klaus Scheid, head of Group IT Infrastructure, opted to deploy a telepresence room in each of the bigger Vaillant Group locations, as well as give employees other options to meet via video conference. Reducing one-day trips by 15 percent and two-day trips by five percent would eliminate 700 trips, with the associated 450 days of travel, and reduce 400 tons of carbon dioxide emissions. Together with HP®, Polycom® designed and delivered a complete project in less than eight months, and the communications team took immediate steps to promote the usage of the Polycom RealPresence® platform.

Christoph Schnier, group purchaser, IT and Telecommunications, is a great supporter of the new system. His team of 15 used to meet several times a year in person for five hours at a time. Since the delivery of the Polycom solution, he can meet with his dispersed team face-to-face on a more regular basis, and use video to communicate with his suppliers and partners. "Video is great, especially if we are working on complex issues," he says. "Being able to see the person facilitates the conversation, and we are able to find solutions quicker." But for Schnier, the benefits don't stop there: "I can be in London in the morning, Paris in the afternoon, and home for dinner."

Leveraging Video and UC to Boost Patient Care

The Belfast Health and Social Care Trust delivers integrated health and social care to more than 340,000 citizens in Belfast, spanning a network of six organizations with more than 100 physical locations, an annual budget of approximately £1 billion, and a staff exceeding 20,000 people. To improve communication and reduce costs while improving services for their staff, patients and clients, the Trust recently developed a strategic partnership involving BT®, Microsoft® and Polycom® to deliver a truly unified communications infrastructure. The Trust deployed new High-Definition Polycom RealPresence® Room Solutions (HDX® 2000's) in 20 large video conference meeting facilities, and more than 400 Polycom RealPresence Desktop video collaboration systems, integrating the new systems with its existing legacy audio and video conferencing network through Polycom's RealPresence Collaboration Server (RMX® 2000). The Trust can centrally manage all the devices and deliver true UC by mixing multi-party voice, video and content collaboration sessions, while streamlining complexity and reducing costs.

Departmental meetings are normally a morning activity, and members used to have to set a whole morning aside to attend. Healthcare staff are now able to access video on their desktop by clicking a name within their Microsoft Lync™ contact list and instantly meet with a colleague face-to-face via video using the Polycom RealPresence Platform. This lets staff conduct online meetings easily and have more time for direct patient engagement, thus allowing them to treat more people more effectively, enabling the Trust to improve patient care while reducing costs. "Within healthcare, information needs to be passed quickly and accurately through the system in order to get a response quickly," says Paul Duffy, co-director, IT and Telecommunications. "We are seeing people using video conferencing in ways we hadn't originally forecast. People are having more ad hoc video calls and conference calls than we thought they would do because it's easy to do, and that speeds up our decision-making because we're actually getting decisions made."

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ABOUT POLYCOM

Polycom is the global leader in open standards-based unified communications (UC) solutions for voice and video collaboration, trusted by more than 415,000 customers around the world. Polycom solutions are powered by the Polycom® RealPresence® Platform, comprehensive software infrastructure and rich APIs that interoperate with the broadest set of communication, business, mobile and cloud applications and devices to deliver secure face-to-face video collaboration in any environment. Polycom and its ecosystem of over 7,000 partners provide truly unified communications solutions that deliver the best user experience, highest multi-vendor interoperability, and lowest TCO. Visit www.polycom.co.uk or connect with us on [Twitter](#), [Facebook](#), and [LinkedIn](#) to learn how we're pushing the greatness of human collaboration forward.

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