Cloud, culture, collaboration, and the move to pervasive video

Key highlights

- Video conferencing has emerged as a widely accepted form of business communications
- Enterprises are challenged to take full advantage of previous investments in video conferencing
- Cloud-based video provides a way for enterprises to get more out of existing investments and introduce new capabilities
- Usage and adoption programs that encourage the use of video conferencing and collaboration are key to fostering a culture of collaboration
Contents

Summary ................................................................................................................................. 3
Key considerations for the CIO ................................................................. 3
Pervasive video ........................................................................................................... 4
Cloud: An affordable way to improve video conferencing ........................................ 4
Making video conferencing pervasive both inside & outside your company ........ 5
Increasing corporate agility with video conferencing ............................................. 5
Cloud services help future-proof your video conferencing investments ......... 7
Many ways of adopting cloud-based video conferencing .................................. 7
Mitigating the expense of video conferencing with cloud services ................. 7
Addressing interoperability challenges with cloud services ............................. 8
Conclusions ................................................................................................................... 9
Summary
Key considerations for the CIO

Video conferencing has emerged as a widely accepted form of business communications. Businesses use it internally to help geographically dispersed teams of sales representatives, marketing personnel, product designers, managers, engineers, and other employees work more closely. Businesses are also starting to use it for external communications, as a way to facilitate face-to-face communications with partners, suppliers, investors, and clients.

CIOs have spearheaded the deployment and adoption of video conferencing in a wide range of departments and it has been embraced by an increasing number of employees. Human resources departments are using video conferencing to interview applicants, while training organizations use it to provide instruction to a wide range of workers. Contact centers are beginning to let customers speak with contact center agents over video.

In a survey of more than 2,700 ICT decision makers, Ovum found that around half the large businesses have deployed room-based video conferencing, desktop video conferencing, or both – and more than a quarter of those that have not deployed plan to do so in the next year (see Figure 1).

In addition to the use cases mentioned above, video conferencing has established itself in a wide range of applications for specific industries, such as healthcare (telemedicine), education (distance learning), banking (virtual teller and visual expert kiosk), hospitality (virtual concierge), and public sector (video arraignments and visitations).

But, despite pockets of usage in most large enterprises, you, like many other CIOs, are likely to be finding that video conferencing does not always deliver as much value as it could … or at least not as much as it promised. There are usually specific reasons for this:

- Aging infrastructure creates interoperability issues that prevent systems from working with each other, isolating end users rather than allowing them to connect and communicate.
- User interfaces on older software and equipment are complicated, requiring a trained technician or technically adept employee to set up and manage video calls.
- Limited or a complete lack of integration with document sharing and other collaboration applications can frustrate end users of video conferencing based on previous generations of technology.

While video conferencing usage may be high among a small subset of employees, you – like many other enterprises – may be finding that it is not as widespread as you would like.

More modern video conferencing solutions can resolve many of these issues and at the same time deliver image quality and collaboration functionality that is leaps and bounds beyond systems that are even a few years old. But to achieve this, video conferencing systems that are even just a few years old need to be significantly

Figure 1: Widespread and increasing deployment of video conferencing among enterprises

<table>
<thead>
<tr>
<th>Enterprises using or planning to use room-based video conferencing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t use now, and have no plans to have within 24 months</td>
</tr>
<tr>
<td>Don’t use now, but plan to have within 24 months</td>
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<tr>
<td>Don’t use now, but plan to have within 12 months</td>
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<tr>
<td>Use now</td>
</tr>
<tr>
<td>13%</td>
</tr>
<tr>
<td>12%</td>
</tr>
<tr>
<td>26%</td>
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<tr>
<td>49%</td>
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</tbody>
</table>

Source: Ovum Enterprise Insights survey of 2,700 ICT decision makers
enhanced, perhaps even completely replaced. Either way, the process promises to be expensive. Given the amount of money you already paid for the systems and software, it may not make sense to make additional capital expense investments relating to video conferencing. If usage is currently low, it may be difficult to justify spending additional IT budget modernizing your existing video conferencing environment.

**Pervasive video**

Video conferencing is fast becoming pervasive among employees. Video is available in a wide range of business and consumer applications. Mobile connections to 3G and 4G networks, as well as widespread access to Wi-Fi, have made video conferencing a viable option from mobile devices. This has allowed meeting environments to move away from traditional conference rooms to using video available on laptops, tablets, and smartphones.

In addition, the people we connect with are no longer only colleagues working in offices. They are valued clients, partners in the supply chain, co-workers in home offices, and mobile workers in the field. A broad range of colleagues, customers, and business partners now have access to video conferencing, which has driven the use of the technology out of the conference room.

Yet, in many companies video conferencing has been an isolated technology island. To enable the true democratization of video conferencing, the user must be placed at the center of the experience and have the ability to call any device, on any network, and from any location.

To achieve this, CIOs should work with their IT and industry specialists departments to focus on delivering:

- A seamless user experience
- An open approach to networking
- An open, standards-based architecture
- A unified service for all environments

**Cloud: An affordable way to improve video conferencing**

Using cloud services is one way CIOs are getting the most out of video conferencing without breaking the bank. Increasingly mature, very diverse, and available from a wide range of providers, cloud-based video conferencing services have emerged as a viable alternative to premise-based solutions. With cloud-based video conferencing, you can sidestep capital expenses in MCUs, servers, and other infrastructure, and instead turn video calling, conferencing, and collaboration into an operational expense. This not only lowers the

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**Top ways to increase video conferencing usage and adoption**

- Identify major stakeholders prior to initial deployment and determine how they use or plan to use video conferencing
- Establish an engagement plan that gathers input from stakeholders both during and after the deployment process - a critical step to engendering "buy-in" from users, which is a necessary and often overlooked part of driving adoption.
- Track usage to determine who is using video conferencing effectively
- Document and promote instances of best practice of video conferencing usage within the company
- Determine who is not using video conferencing and why
- Draft benchmarks to measure quantifiable business value (e.g. productivity gains, travel costs avoided or reduced)
- Set up an employee training program
- Set up an internal marketing program to promote usage of video conferencing tools
- Encourage executive management to actively use video conferencing and advocate video conferencing usage within the company
barrier of entry for enterprises looking to invest in video conferencing for the first time, but can also lower the cost of introducing improvements to an existing video implementation.

However, while cloud offers greater consumption model flexibility for the technology, getting the most out of video conferencing is not only about the technology. Another way CIOs are making the most of video conferencing is by launching usage and adoption programs through fostering a culture of collaboration. By surveying end users, providing ongoing training, internally marketing and promoting video conferencing, collecting business value metrics, and analyzing stakeholders’ expectations when it comes to video conferencing and other forms of collaboration, you can increase employee awareness of video conferencing and help them be more productive and successful in their jobs.

Making video conferencing pervasive both inside & outside your company

Increasing corporate agility with video conferencing

If your company is like many others, the CFO is seeking tangible benefits from investments made in video conferencing and other business communications technology. Moreover, the CFO wants proof that future investment in video conferencing will result in improvements to the bottom line. As a result, a top driver for investing in video conferencing relates to reducing travel costs (see Figure 2).

Figure 2: Increasing productivity is top of mind for CIOs investing in video conferencing

Source: Ovum Enterprise Insights survey of 2,700 ICT decision makers

Keeping travel costs and unproductive travel time to a minimum, however, are not the only – or even the most important – business benefits of video conferencing. Just as important is helping dispersed teams collaborate easily, solve problems, speed up coordination, and ultimately speed the time it takes to complete projects and deliver results. This can lead to a reduced time-to-market for new products and services. Video conferencing also directly supports enterprises’ teleworking programs, allowing remote workers to communicate and collaborate with colleagues both in the office and working remotely.

Video conferencing has equal – perhaps even greater – benefits when your employees are communicating with people outside the company. It is essential for workers to develop a rapport with suppliers, contractors, customers, and others outside the company. When these individuals are far across the country or overseas, it becomes imperative to use the latest technologies to improve business processes and keep the company agile. This is particularly important in large enterprises in which employees involved in specific business processes are geographically dispersed, and when third-party partners are central to business processes running smoothly.

Video conferencing is becoming an increasingly important means of:
- Improving business process and operations by enabling more seamless communications with distributed teams within your company and among your business partners
• Managing the supply chain more effectively by extending video conferencing to key suppliers
• Accelerating time-to-market by using video conferencing to reach decisions and execute on strategies more quickly.

Companies are using video conferencing for a wide range of external-facing scenarios. These include:

• Sales representatives use video, rather than a simple phone call, to stay in contact with important clients either during a long sales process or after the deal has closed
• Customer support personnel use video sessions to provide important customers with “white glove services” that involve face-to-face communications
• Banks use video to connect their customers to tellers and financial advisors
• Insurance companies use video to connect claims adjusters with both customers and agents in the field
• Hospitals use video to communicate and examine patients at home, as well as get the advice of specialists at other medical institutions
• Universities use video as a way of letting professors at other colleges deliver lectures or lead classes

Case study: Distributor reduces costs, increases productivity via video conferencing

Electrocomponents is a leading distributor of semiconductors, sensors, relays, and other electrical components based in the UK. It implemented an international expansion plan that drove new lines of revenue but also increased the number of overseas offices and employees. In order to manage its suddenly larger international workforce, executives and other managers needed to spend more time in Asia, the Middle East, Africa, and elsewhere. This led to a rise in operational costs, which was having a negative impact on the company’s bottom line.

Electrocomponents turned to video conferencing as a way for managers to avoid expensive travel, yet still have the face-to-face meetings with employees around the world. The company started with a pilot program between its UK and Hong Kong offices, with Cisco-based video conferencing solution deployed by Dimension Data. Once the pilot proved successful, video-enabled conference rooms were set up in 17 offices on five continents.

Executive managers, who were among the first to extensively use the new video conferencing solution, noted that the reduction of international travel did not just save money. It increased the productivity of executives, who did not waste time in transit between locations.

Case study: Security firm uses video conferencing to better connect with contractors

Came Group, based in Italy, needed to improve communications with the technicians contracted to install its automation and security systems in both residential and commercial buildings. Third-party installers are located around the world, making both difficult and expensive for Came Group experts to be on-site at locations where technicians are having difficulties. Previously Came Group supported its installers primarily by phone. If the problems could not be resolved in the course of a voice call, Came Group would send experts into the field to assist the installer.

Cisco video conferencing solutions, installed by Dimension Data, were already in place for internal communications at Came Group. The company also used WebEx internally, not only for Web conferencing but also for desktop video conferencing among participants. Using Cisco’s Collaboration Meeting Rooms Hybrid, video calls between remote technicians calling Came Group for assistance can escalate the call to a video conference. The technician uses his or her mobile device, while the Came Group experts use whatever desktop or video end points they regularly have access to.

• Video not only allows all parties on the call to see one another, it also allows technicians to show Came Group experts the problems they are having with the particular job. “Problems are solved faster, so installers can complete more work,” explains CIO Massimiliano Tesser. “Our clients are happier. So they’re more likely to buy from us again.”
Cloud services help future-proof your video conferencing investments

Many ways of adopting cloud-based video conferencing

Tapping into the many benefits of video conferencing can be a daunting proposition for CIOs that have already made a significant investment in video conferencing. The underlying technology is still changing rapidly and, as a result, the systems and software that unlock some of video conferencing’s key benefits require the adoption of fairly state-of-the-art solutions. It would probably mischaracterize the situation to describe it as “throwing good money after bad,” since previous video conferencing investments provided valuable communications capabilities that were widely used by employees. But to unlock more of the benefits, new video conferencing investment is likely to be necessary.

Mitigating the expense of video conferencing with cloud services

The adoption of cloud-based services is one way enterprises are mitigating the expense of new video conferencing investment. A wide range of providers address an equally wide range of use cases. Unlike systems deployed on-premise, cloud-based video conferencing services do not require an up-front purchase of underlying infrastructure. They also do not require your IT staff to manage and maintain the infrastructure in the years that it is used. Instead, MCU and other equipment resides on the service provider’s network, with the provider monitoring and managing it. As vendors introduce new capabilities to their products, the provider implements these as part of the service. The investment can be turned into an operational expense that is paid monthly.

Cloud-based video conferencing services can be adopted in a number of ways:

- The service can completely replace the infrastructure that underlies your current video conferencing systems. In this case, existing video end points can remain in place, but, rather than being connected to conferencing systems that you own, it is connected to systems that reside in your provider’s data center and that your provider manages. This way you can take advantage of the investment already made in video end points.

- Alternatively, cloud-based video conferencing services can operate in tandem with legacy room-based systems already deployed on-premise. This is popular among large enterprises that are gradually migrating to cloud service, letting them interconnect conference room equipment regardless of whether premise-based systems or cloud-based services are powering them.

- Cloud-based services are also proving to be a very popular way of delivering a modern video conferencing experience to desktops and mobile devices. Rather than relegating video conferencing to groups meeting in geographically dispersed conference rooms, certain cloud services are focused on making video conferencing and collaboration available to all end users with access to a laptop, tablet, or smart phone.

Top reasons CIOs are investing in cloud-based video conferencing services

- Compared with traditional deployment models, video conferencing adopted as a cloud service easily increases capacity and adds capabilities without the need to invest in new infrastructure.
- It avoids capital expenses and lowers overall IT investments through services with subscription-based pricing.
- It lowers barriers to entry, as infrastructure is typically provided by a third party and does not need to be purchased.
- It provides a low, predictable cost of ownership.
- It does not require specialist staff and will not drain valuable IT resources.
- It keeps up with technological advancements without a large capex investment.
Addressing interoperability challenges with cloud services

Interoperability of video conferencing systems can be achieved easier today than ever before. The standards and protocols that facilitate interoperability are very mature and widely implemented in vendors’ solutions. Nonetheless, interoperability can still be a challenge, particularly when video conferencing is used for external communications:

- Older video conferencing systems may not fully support standards that allow more modern technology to natively connect with one another
- An enterprise might limit or completely disallow B2B video communications for security purposes
- Companies wanting to connect via video may have dissimilar platforms that do not lend themselves to interoperability, such as a traditional room-based video system on the one hand and a freemium team collaboration application on the other.

Cloud-based video conferencing services can help overcome interoperability hurdles in a number of ways:

- Certain cloud services are focused solely on delivering any-to-any interoperability among different types of business communications solutions
- B2B exchanges and other services can interconnect businesses’ distinct video conferencing systems
- Desktop video conferencing delivered as a cloud service can provide video conferencing capabilities to employees whose video-equipped conference rooms have interoperability issues.

With cloud services and other technologies, it is no longer a matter of if two businesses can communicate with each other via video, but how their video solutions can be made interoperable.

Managed services, in which the enterprise owns the assets but a third-party manages them, is another option for minimizing your company’s video conferencing investments. In fact, according to Ovum research, this is the CIO’s preferred way of implementing video conferencing: 40% of respondents to Ovum’s Enterprise Insights survey indicated a preference for third-party managed services, while 24% would opt for hosted services (see Figure 3).

Top reasons CIOs are adopting cloud-based video conferencing

- The provider has responsibility for the service end to end
- The provider operates a dedicated network architected to guarantee consistently high-quality video calls
- A cloud-based service provides monthly pricing which provides clear cost management and ROI
- A cloud-based service provides increased flexibility, with the ability to easily increase or reduce the number of seats as needed.

Figure 3: How video conferencing environments are currently managed

Source: Ovum Enterprise Insights survey of 2,700 ICT decision makers
In some cases select third party vendors can also develop a custom “private cloud” solution which can provide organizations with a “best of both worlds” environment. Equipment can be located on a company’s premises but owned and managed by the vendor, and paid for by usage as part of operating budgets. This model is especially useful for organizations that want all the price and performance benefits of cloud but want none of the risks of public data exposure.

Regardless of exactly how it is adopted, cloud-based video conferencing is full of promise. Enterprises are embracing it to provide employees with the most state-of-the-art communications and collaboration technology, while also using it to keep IT resources concentrated on mission-critical applications.

Conclusions

For CIOs, video conferencing presents a number of challenges. Previous investments in the technology have resulted in a large amount of equipment from multiple vendors providing a disjointed set of collaboration and communications capabilities to end users. User interfaces of older systems can be complicated, which hinders end-user adoption, plus the fact that employees are not always provided with the incentives or the training that they need to best benefit from video conferencing.

Yet CIOs have at their disposal an increasing number of tools that can help them make the most of their video conferencing investment. Cloud-based video conferencing services can be deployed alongside existing infrastructure to help create bridges between currently disconnected islands of video technology. Cloud-based services can also gradually replace existing premise-based systems, allowing the company to gain access to a more modern set of video conferencing capabilities in a cost-effective manner. A usage and adoption program incorporating internal marketing and training, can help popularize video as the preferred method of internal and external communications. And a thorough examination of business processes should help reveal how video conferencing can improve corporate agility and employee productivity. All these will help CIOs and their companies build a culture of collaboration with video conferencing as a central element.
About the author

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Brian Riggs is a member of Ovum’s Enterprise team, analyzing emerging trends, technologies, and market dynamics in the unified communications and collaboration (UC&C) space. In this role he looks at the market for both hosted UC&C services offered by service providers and UC&C solutions deployed on premise within the enterprise. Brian’s research spans video conferencing, VoIP, instant messaging and presence, and social networking as they are adopted by businesses to reduce costs, improve employee productivity, and streamline business processes.

Brian has tracked the market for business communications solutions and services for more than 20 years. Prior to Ovum, he was the Research Director for the Business Technology and Software group at Current Analysis. He oversaw a number of practice areas, including application platforms, collaboration platforms, contact center solutions, and unified communications solutions. In addition, he monitored the markets for UC solutions, converged communications systems, communications applications, hosted and managed UC services, and enterprise FMC. Before Current Analysis, Brian was an analyst at Gartner, researching the market for carrier infrastructure.

Brian is a regular contributor to No Jitter, a blog for the enterprise IP telephony, unified communications, and converged networking industry. He holds a Master’s degree in Linguistics from San Jose State University.
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- ROI justification
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- Competitor tracking
- Customer segmentation and targeting
- Sales enablement
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