Avoid the Pitfalls of One-Size-Fits-All Video Conferencing:
Distinct Users and Use Cases Matter

Frost & Sullivan

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INTRODUCTION

The video conferencing market is rapidly changing. Technology advancements have lowered the barriers to entry for new providers to launch services. The resulting pervasive availability of cloud video conferencing services, such as multi-point bridging and virtual meeting rooms, also lowers the cost and complexity barriers for end-user organizations to adopt the technology for the first time or expand existing deployments.

In this constantly evolving market, customers have more choices than ever. The broadening array of options is creating new challenges for customer decision-makers to tackle. Not all solutions are optimized for the same environments and use cases, yet many solutions are positioned as the answer for all needs. Successful deployments require a holistic and customizable approach that takes into account the many different user requirements, use cases and business environments that cannot be addressed with a one-size-fits-all solution. This white paper discusses the considerations that enterprise buyers must factor into their investment decisions and recommends a course of action to ensure successful deployments.

VIDEO CONFERENCING MARKET TRENDS

Technology advancements in software virtualization, more powerful hardware, compression techniques, and mobility have significantly improved upon yesterday’s monolithic visual communications solutions. Cloud-based infrastructures make solutions more efficient for service providers to deploy, operate and manage. As a result, providers are able to offer their services at a lower cost, higher quality and with more reliability. Bandwidth optimization technology is further reducing operational costs for enterprises, while enhanced feature sets as well as intuitive PC and mobile clients make video conferencing tools more applicable to a broader base of business users and processes. The hardware that supports robust software is more powerful and less expensive, making it more feasible and compelling for organizations to expand or upgrade their existing infrastructure and endpoint investments to the latest technology.

As solutions become more cost-effective, flexible and powerful, enterprises are looking to video conferencing to unlock benefits beyond the traditional value propositions of travel avoidance and a reduced carbon footprint. Organizations are implementing the technology to support virtual teams spread across regions or around the world, deploy staff closer to customers, enable fully connected and responsive mobile workers, and more. Enterprises are finding that visual communications foster closer relationships with customers and partners, make meetings more productive, help you stay ahead of the curve, accelerate decision-making processes, and improve business agility. A Frost & Sullivan survey conducted in 2014 found that many of these benefits are top drivers for IT investments. See Figure 1 below.
All of these and other factors are leading to accelerated video conferencing adoption across all industries and business sizes.

- It’s widely perceived that the customer premises-based equipment sector of the video conferencing market is in decline. This is true in terms of revenues—but primarily because hardware, though more powerful, is becoming less expensive. Frost & Sullivan research finds that the number of video conferencing endpoints shipped globally in 2013 increased by 3.3% percent over 2012, while average selling prices (ASP) declined by 9.2% percent over the same period. ASPs continued to decline in 2014, and endpoint unit sales increased year-over-year through the first six months;— both trends are forecasted to continue. The pricing decline is good for customer organizations as it is more affordable to upgrade or expand their existing investments in room and executive systems endpoints.

- The market’s managed services sector is well-established, stable and strong. Customers that purchase their own hardware endpoints and infrastructure often look to outsource monitoring and management to trusted providers. Frost & Sullivan research finds that the North American managed video conferencing services market generated $285 Mmillion in 2013 (excluding maintenance, network management, access, transport, and other services). As more enterprises outsource management and as others expand their endpoint and infrastructure investments, this market will experience a smooth 10.1% percent compound annual growth rate (CAGR) through 2019 when it will exceed $460 mMillion in annual revenues.

- The hosted services market segment encompasses services whereby meetings take place on service provider infrastructure, including both traditional hosted bridging as well as and next-generation cloud-based services such as virtual meeting rooms. Hosted services enable organizations to outsource their bridging or multipoint control unit (MCU) capabilities, thereby avoiding capital infrastructure costs and outsourcing complexity to expert providers for a predictable monthly fee. Cloud services enable
organizations to deploy video conferencing more pervasively on a per-user basis by supporting hardware endpoints, emphasizing software endpoints (PC, mobile, browser), and eliminating upfront costs and ongoing operational complexity. Including other benefits, such as elastic scalability, these advantages will drive a 20.3% percent CAGR through 2019 for the overall North American hosted video conferencing services market.

**CHALLENGES AMID THE GROWTH**

Stable growth expectations across several market segments, and high growth in cloud services in particular, is encouraging an influx of providers launching an extremely diverse array of services and solutions. Many of these providers, whether crossing over from adjacent technology markets or new startups, are largely unproven in the hosted video conferencing services arena. Essentially, most are launching essentially cloud bridging services that support on-demand meet-me meetings, typically accompanied by limited or no managed or professional services, and limited room system support compared to traditional hosted services. With a narrow feature set and a hands-off approach to customer deployments and ongoing support, they lack the ability to address wider use cases or to maximize the value of all existing customer assets. The core value propositions for these solutions are limited to outsourcing complexity and the cost advantages of eliminating customer-owned infrastructure (e.g., MCUs, gateways, etc.). As such, many cloud bridging providers have shown a tendency to overreach with their solutions in order to target opportunities for which they are a poor fit.

One size does not fit all. Cloud bridging solves certain challenges but often leaves others unaddressed, such as robust scheduling and resource reservation, provider-assisted call launch, integration with customer-owned MCUs, and the option to select from several tiers of management from self-managed through white-glove, provider-managed calls. The exhaustive list of available cloud options with overstated value propositions, unclear differentiation and similar pricing can make it difficult for IT buyers to determine the best solutions to address the distinct functionality and support requirements in different parts of their organization.

Despite the lack of clarity, organizations are still pursuing cloud video conferencing deployments. That is likely because organizations that have implemented some form of video conferencing are finding that the technology is helping to address some of their biggest business challenges. Frost & Sullivan’s 2014 poll of IT decision-makers validates that this is the case. See Figure 2 below.
What many decision-makers may not realize is that room-based video conferencing does not need to be deployed separately from or as a simple adjunct to the cloud services that are most typically associated with desktop, browser and mobile video conferencing clients. There are opportunities to maximize the benefits of both by integrating them as part of comprehensive solutions.

SUCCESS FACTORS

In most cases, savvy decision-makers can avoid the pitfalls of creating collaboration silos by taking a pragmatic approach to become more educated about their service options and the true capabilities of prospective providers.

Successful video conferencing deployments require decision-makers to think of their environments and solutions holistically. Areas for consideration include:

**Support for current assets:** Integrating new services-based capabilities with existing assets adds value to and prolongs the useful life of previous capital investments, but endpoint and infrastructure support can vary significantly among different service offerings and providers.

- Are there video conference rooms, huddle room systems, executive, and other endpoints that need to be integrated and supported as part of the solution?

- Is there existing video conferencing infrastructure that should be leveraged for cost, security, control and other reasons?

- Is it preferable to utilize dedicated room-based or executive endpoints to support high-profile, large-scale sessions, such as video webcasts, or to produce video content for training, education or marketing purposes?

- Can the available IT staff properly support the solution, or is it preferable to outsource bandwidth, endpoint, infrastructure, and network management, monitoring, reporting and troubleshooting to the provider’s dedicated technical teams?
• Do the users and IT staff require a live help desk from the provider or is email and online self-help support adequate?

**Work spaces and work styles:** A holistic view of different user types, environments and use cases can help avoid self-limiting investments.

• Are there different job functions (e.g., engineering, consultants, executives, sales, marketing, etc.) that need different endpoints and solution features to effectively collaborate in their roles?

• Do staff work from various locations (headquarters, regional and branch offices, hotels, home offices or customer sites), and/or move about those locations and require differing levels of reliable, high-quality support to join meetings from any endpoint?

• Are ad-hoc calls required to integrate visual communications into workflows and allow teams to connect on the fly?

• Do other use cases exist that require assistance to launch, secure, connect and manage reserved calls that are on sensitive topics or otherwise important (e.g., board meetings, investor conferences, project delivery presentations, etc.)?

• Does makeup of teams change during workflows and within project timelines, thus requiring flexible scalability to economically support both large and small groups, and one-on-one calls?

• Is there need to support participants—such as direct employees, contractors, partners, customers, or others—regardless of whether they are located inside or outside of the corporate firewall?

**Blended solutions for optimal results:** Managed, hosted and cloud services were initially developed to address distinct requirements, yet the lines between them are blurring. Recently introduced capabilities, such as allowing any standards-based endpoints to join calls, have in fact brought more commonality across the different service types. However, the core strengths and limitations of the different service types cannot be directly compared. The considerations noted above make it clear that cloud bridging services alone cannot address broader support criteria. In fact, a mix of cloud and traditional hosted bridging, as well as managed services, is often the answer.

**SOLUTION SPOTLIGHT**

**HB Communications and the Collaboration Maturity Model**

The options for video collaboration products, technologies, and services have shifted from a handful to hundreds in just a few short years. As the video collaboration market has evolved, HB Communications, a leading visual systems integrator and Glowpoint partner, implemented a process referred to as the “Collaboration Maturity Model,” which helps enterprises determine the right combination of video conferencing technologies, products, and services for their environment.

The Collaboration Maturity Model is a paradigm used to assess an enterprise’s video collaboration strategy with a focus on five key elements:
1. **Business Objectives**: What are the company’s overall objectives, and how can video collaboration help them achieve those objectives?

2. **Use Cases**: What are the use cases within the enterprise that will make employees more productive and help drive towards achieving business objectives?

3. **Status of Deployment**: Where is the enterprise today with the deployment of collaboration technologies that will help support their business objectives?

4. **Technology Alignment**: What are the existing collaboration technologies, and how can they be optimized or integrated with other technologies to achieve the objectives?

5. **Support**: What are the company’s objectives, and what support do they require in order to achieve these objectives?

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**Collaboration Maturity Model Customer Case Study: A Large, Multi-national Insurance Company**

| **Current Assets** | • A modest deployment of 25 video endpoints  
|                    | • Investments in Microsoft IT infrastructure and Lync unified communications solutions |
| **Pain Points**    | • Lack of integration between existing video conferencing and Microsoft Lync assets  
|                    | • Process latency and downtime associated with travel |
| **Goal**           | • Improve productivity and reduce travel costs by providing video collaboration to all users  
|                    | • Foster closer relationships through more face-to-face interactions with customers and partners |
| **Execution**      | • Identified company’s alignment with Microsoft technology  
|                    | • Optimized existing video conferencing endpoints through managed services  
|                    | • Integrated the Microsoft Lync UC solution with video conferencing assets  
|                    | • Deployed a combination of internal IT, outsourced onsite support and remote support resources from HB Communications |
| **Result**         | • Increased video endpoint deployment by over 75% to improve access for more users  
|                    | • Microsoft Lync desktop and video endpoint users now participate in meetings together  
|                    | • Improved conferencing flexibility and reliability with on-demand and managed service options |
|                    | • Unified support for over 100 endpoints and 4,000 employees in 60 offices in over 200 countries |
After applying the Collaboration Maturity Model over the past few years, HB Communications has found that enterprises that view video collaboration as a key part of their business strategy often implement managed services to ensure productivity gains and achievement of business objectives. It helps drive adoption by scaling IT resources and availability of services. Another key finding is that organizations with a strong backing from senior leadership outside of IT have a higher degree of success in driving adoption of video collaboration throughout the enterprise. With managed services, video users are able to utilize their existing systems and integrations in order to increase their productivity, ease of use and reach across the globe.

CONCLUSION

A wealth of strong services-based solutions is available today, but businesses need to identify the ones that best address their specific needs. Enterprise IT decision-makers should take a pragmatic and holistic view of their video conferencing requirements. Optimizing the value in existing investments and addressing each organization’s breadth of users and use cases often means customization through a blend of cloud, hosted, managed and other services. The different solutions types do not need to be implemented in silos. In fact, siloed deployments are self-limiting. Therefore, enterprises that want more than “good enough” video conferencing should not compromise. Instead they should demand a more flexible combination of products and services than the one-size-fits-all options that some providers are pitching. They should align with established providers with the proven experience and portfolio depth to ensure that all of their investments deliver maximum business value.
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