



The Wainhouse Research Bulletin

NEWS AND VIEWS ON REAL-TIME UNIFIED COMMUNICATIONS

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WR and In-Stat Team for Unified Communications Forecast

Global UC Forecast Summary	2012	5 Yr CAGR
All Unified Communications Product Elements	\$24.5B	7%
All Unified Communications Services Elements	\$24.2B	22%
Actual UC Product Deployments	\$12.5B	94%
Actual UC Service Deployments	\$4.1B	240%

Wainhouse Research and In-Stat have combined their high-tech market research teams to create what the two firms believe is the first-of-its-kind worldwide unified communications products and services forecasts. The joint effort combines In-Stat's IP telephony and messaging expertise with the real-time conferencing and

collaboration expertise of Wainhouse Research. The result is a rationalized forecast that estimates the size of the component technologies (listed below) that could go into a unified communications solution as well as an estimation of how much of each component will actually be sold that way.

The UC Products Forecast includes the following premise-based components:

- Presence and instant messaging systems
- Enterprise telephony (PBXs—IP and TDM)
- Audio conferencing bridges
- Web collaboration servers
- Team workspaces
- Unified messaging (premise-based)
- Videoconferencing systems

The UC Services Forecast includes the following elements:

- Hosted telephony (IP Centrex and broadband VoIP services)
- Audio conferencing
- Web collaboration
- Videoconferencing bridging

Both forecast volumes are now available. For more information or to purchase these forecasts online please visit www.wainhouse.com/reports, or contact Sara Fargo, WR Client Services Manager at sfargo@wainhouse.com.

News in Brief

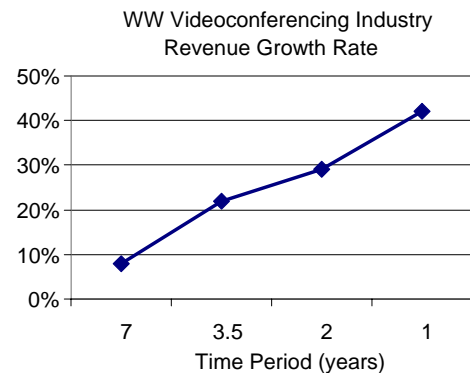
- The bank ING has begun a 200-user test of Microsoft's OCS 2007 with full video integration provided by the German systems integrator and Microsoft partner MVC. Multipoint and interoperability is being delivered by a Codian 4200 MCU. We believe this is the first commercial rollout in Germany with video integration.
- HaiVision Systems announced that DC-Sat.Net, a UK provider of VSat video transport, has selected the hai1000 series of MPEG-4 AVC / H.264 codecs to provide efficient video to IP compression for IP based satellite transmission.
- More consolidation happening in the UK as Videocall Limited announced the acquisition of the

business assets of VAR/integrator NIAD Communications. This acquisition is being positioned as the next step in Videocall's strategy for growth and consolidation following their previous acquisition of Global VideoCom Group.

- UK-based audio and web conferencing service provider MeetingZone is opening its first European office (acknowledging once again that the UK is not Europe) in Berlin, Germany, one of WR's favorite cities. MeetingZone's focus is fully automated services and innovative, real-time billing.
- Telepresence vendor Teliris announced a trial program with Qualcomm connecting three Qualcomm sites to speed collaboration between the company's engineers.
- China giant and LifeSize Distributor ZTE announced that it successfully demonstrated the integration of its IMS products with Telemanagement Forum's (TMF) New Generation Operations Systems and Software (NGOSS) framework. The demonstration signifies the first seamless integration of an IMS platform with NGOSS framework in the industry. The Catalyst Project was championed by China Unicom and Chunghwa Telecom. The demonstration scenarios included deployment, activation, charging and management of a full-duplex, video-telephony service available for a range of devices including SIP video phones and laptops.

More Videoconferencing Statistics

We took another look at the videoconferencing statistics we have been reporting on and would like to share this interesting graph. Group videoconferencing revenues for the past seven years have a compound annual growth rate (CAGR) of 8%. The growth is accelerating: if you consider just the past 3½ years, the CAGR calculates to a heady 22%, and if you look at just the past 12 months, you are looking at a 42% rocket. Let's hope the good times continue.



Point Nine Update

Richard Norris, richard@wainhouse.com

Point Nine and AMI

Point Nine is kicking off the New Year in Europe with a unique event in Edinburgh that is being hosted by our friends at the AMI Consortium. This meeting will focus on existing and future meeting technologies developed by AMI partners to optimize the effectiveness of meetings and human interaction. The cornerstone of this event are six interactive demonstrations of AMI core enabling technologies. Participants will meet with the scientists and see first-hand the latest advances in meeting capture technologies, unconstrained speech-to-text, vision processing and keyword spotting. The event is 15-January with a kick-off dinner 14-January. [Details here.](#)



Point Nine via Telepresence

We have reserved six telepresence suites courtesy of Cisco and will use these 26-February to host a half day Point Nine session with the topic *Telepresence: Can you speed business processes and reduce your carbon footprint?* If you can make it to Boston, New York, Atlanta, Washington DC, London, or Amsterdam [contact Richard Norris](#) to reserve your place. Save time, save money, save carbon and come by video! These sessions are definitely capacity limited, so reserve your place early. Starting time will be 8:00 in the North American time zone and 13:00 and 14:00 in London and Amsterdam respectively. Contact Richard if you would like to sponsor this very unusual session demonstrating the power of telepresence in sales, marketing, HR, and other business processes.

Conferencing & Collaboration Event Calendar	
WHEN & WHERE	WHAT & WHO
14-15 January, Edinburgh	Point Nine User Forum with AMI Consortium
14 February, Canary Wharf, London	IP Video Expo (AV in the City)
26 February, 2008: London, New York, Boston, Washington D.C., Atlanta, and Amsterdam	Point Nine User Forum via multipoint telepresence session, hosted by Cisco.
8-10 April, 2008, Berlin, Germany	Wainhouse Research Collaboration Summit
16-18 July, 2008, Boston, MA	Wainhouse Research Collaboration Summit

People & Places

IPC Systems (communications solutions to financial services),
Andrew Miller, EVP and President of IPC's Financial Services division

Florida Marlins, **Andrew Miller**, left handed pitcher

MeetingZone GmbH, **Jürgen Haas** and **Alexander Käsbohrer**

Avistar Communications, **Darren Innes**, general manager, worldwide sales

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Vide Conferencing in Iran

One on One with HNG Managing Director Houshang Khamseh



You wouldn't think being in the conferencing and electronic collaboration business would give you the opportunity to visit physically (as opposed to virtually) strange lands in strange times, but I had an opportunity recently to meet face-to-face with Houshang Khamseh (in neutral territory, in the shadow of Vesuvius), the managing director of HNG, one of the leading videoconferencing channel partners in Iran. In today's political climate, Iran might be considered by an American to be mysterious, somewhat exotic, even dangerous. Read below, and decide for yourself.



WRB: What exactly is the business of HNG?

HK: H.N.G was founded in 1994, concentrating on Industrial Batteries, UPS systems, measurement tools, and videoconferencing systems. We are proud to claim that HNG is the exclusive agent of General Electric UPS systems and Aethra videoconferencing equipment in Iran. The company is also the only official agent of Hopecke industrial batteries from Germany. Today, after 10 years of real hard work in the VC equipment area, creating technical expertise and encouraging a VC culture in Iran, our VC department has more than 10 sales engineers and IT staff who are actively involved with a huge number of projects.

WRB: Who are the VC customers?

HK: In Iran the economic structure is basically government-based. Government is the biggest segment of the market (banks, municipalities, ministries, etc). What's common between all governments is that they have a lot of intra-country short trips and with a fiber optic line now available to all government departments and with the bandwidth problem being eliminated, VC is a real solution to their expenses and communication needs.

WRB: What are the major drivers that impact videoconferencing and/or unified communications in Iran?

HK: Regardless of the expenses every trip brings about, we have another factor. I can name at least 3 or 4 terrible plane crashes during the last 10-12 months. As you are aware, with the

sanction situation, Iran has no chance of buying new aircraft. This has become a major problem now. Sad but true that many of our young, experienced experts in different disciplines are getting killed in those plane crashes just to take part in a meeting or a conference. Moreover, according to the traffic police statistics in Iran, there is a fatal accident rate on the roads of 26,000 people annually. This is 20 times more than the world's average. From a pure economic point of view, more than 4% of the country's GDP every year is spent on the expenses brought about by these accidents. And that of course leaves top managers and directors with one thought: how to eliminate the danger of these trips?

WRB: Who are the major vendors and how are they positioning themselves in Iran?

HK: There are 4 other major vendors in Iran: Tandberg, Polycom, Sony and Huawei. Being an American brand, Polycom is not too active in market. Tandberg and Sony's activities are more visible in Iran. And Huawei, like everywhere else in the world, has its own customers who prefer paying less for Chinese products. Having said all that, we believe that currently HNG and Aethra have the best references and the most customers in Iran.

WRB: Is bandwidth readily available in Iran?

HK: Beginning with any project involving videoconferencing, the first problem is always the bandwidth. In a place where people still use dial up connection, asking people for a 2 Mbps bandwidth is a big deal. Of course in the last couple of years the situation has improved. The fiber optic establishment has already started, and while not yet finished, is already available to the government. As for other private enterprises and for governmental companies who are not willing or able to use the fiber optic service, the Internet (ADSL) is now available in Iran with a bandwidth of 512 Kbps for a fair price.

WRB: How important is HD?

HK: High definition is definitely a new concept to Iran's market. It is a bandwidth challenge. HD also costs a lot more compared to an SD system. However, since the introduction of the new X7 high definition system in the past six months, we have had at least three big projects in Iran with approximately 15 sites willing to pay for an HD system.

WRB: What are the challenges facing the videoconferencing vendors and users today in Iran?

HK: Things are much better today. We are half way through some traditional troubles. I recall that even six years ago when we were taking part in a Telecom Exhibition, more than 80% of the visitors were wondering what that little box (the codec) and the camera did and why not simply use a web cam instead. Today, fortunately, we have customers who come to us with the necessity of using real robust videoconferencing. Of course we also have many customers we visit with many pieces of information trying to convince them that they need videoconferencing. Fair enough, though, at least the video culture is around and starting to grow; we just need to take it one step further to their offices.

I must add, it's worth saying, that too many of our problems in the videoconferencing market in Iran are culture-based. People are very used to the idea of face-to-face meetings, physical presence, and/or following up with their problems personally. That includes even the most important departments like the presidency, ministry of foreign affairs, or the military. This may be true in other cultures as well.

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Finally Iran is not yet familiar with the international technology people use everywhere worldwide - credit cards, online orders, or virtual meetings don't mean much to them.

As a vendor supplying high-tech products, I don't see that the Iranian government is trying enough either. And surprisingly they have recently reduced the annual IT budget by 40%. The key concept today, however, is that videoconferencing is still an absolute fashionable product to Iranians and not a necessity.

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