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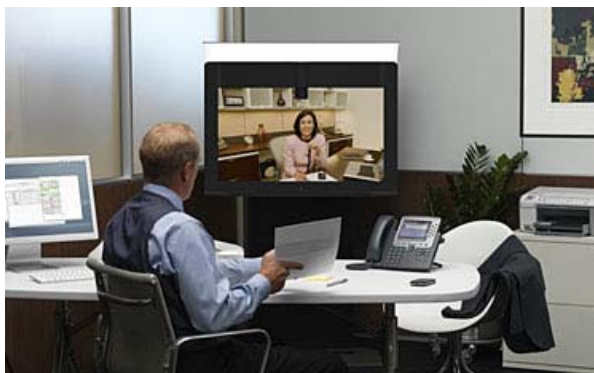
The Telepresence Research Bulletin

Yes indeed, much as we'd like to ignore it, the telepresence elephant keeps stepping on our toes. This week has truly witnessed PR machines run amok, with some interesting product announcements mixed in with total hyperbole. At Saul Bellow once said, "a great deal of intelligence can be invested in ignorance when the need for illusion is deep." It won't be long before the \$9.95 webcam at Best Buy, Circuit City, or Media-Saturn is sold under the personal telepresence moniker. Stay tuned.... Meanwhile..... On with the news

Two Bombshells from Cisco

Approximately 18 months after announcing the company's first two telepresence systems – the CTS 1000 and CTS 3000, Cisco significantly broadened its video offerings with a new high end and a new low end system. The new CTS 3200 (MSRP \$340K) brings the seating capacity for a Cisco telepresence room to 18 participants (6 in the front row, 12 in the back), eliminating one of the major obstacles to most telepresence products – the capacity of only six seats at the table, and giving Cisco a formidable weapon against the multi-row versions of Polycom's RPX system. Extra screens for data sharing are optional. Any CTS 3000 system can be upgraded to a CTS 3200 for \$90K MSRP.

The CTS 500 (MSRP \$33.9K) is a personal system – single 37" screen, single camera – designed to blend seamlessly into a telepresence session with other systems in Cisco's line. The system has some unusual usability features, can support 720p at 2 Mbps or 1080p at <5Mbps (as well as CIF but not 4CIF), and can double as a data display in the office. With an expected street price of under \$20K, and with Cisco's market clout and sales force behind it, the CTS 500 could become a significant player in the "videoconferencing" market and a serious threat to market leaders Polycom and Tandberg.



Some Clarification: Yes, you may be thinking that the CTS 500 looks mighty close to a videoconferencing system. Hmm... We've given this issue some thought and think that the definition of telepresence needs to be separated from hardware dependence. Telepresence is an

experience based on videoconferencing. Generally costing from \$80 to \$500K each, systems that are able to create the “telepresence effect” provide local participants with life-size images of the face and upper body of the remote participants while maintaining a position and proximity perspective that makes the remote participants appear to be sitting on the other side of a conference room table. (Note: the CTS 500 sends life-size images to a remote CTS 3000 but displays images at less than life-size, making it truly half-man and half-beast.) To make the telepresence effect as real as possible, these systems typically use high quality audio and video subsystems, and are often deployed in rooms where lighting and sound are carefully controlled. The telepresence experience can be provided either by a multi-codec, multi-screen system or by a single-codec videoconferencing system - assuming that system is configured and installed such that it provides the two required elements (life-size images and proper position / proximity). So, there’s no such thing as a telepresence system (or telepresence market size); there are simply systems that can provide a telepresence experience. There is however, a market segment for multi-codec systems.

Our more detailed analysis of Cisco’s announcement is on our [Platinum website](#).

More Telepresence Artillery from Teliris

Teliris, who has been in the telepresence game longer than anyone else, expanded its already broad product line with three new systems to complement the existing Virtualive product line. The Express systems support 60 frames but do not use the Virtualive triple-chip cameras, are not expandable, and have implemented other cost-saving measures to bring about a new price point for the company.

Teliris Telepresence	Personal	Express2	Express3	Virtualive
# screens	1	2	3	3 - 8
Screen size	40”	46”	46”	46”
# users	1	4	6	6 – 28
List price	\$32.5K	\$99K	\$125K	\$199K - \$399K
Monthly recurring fee	\$1,500	\$5,650	\$6,695	varies

Personal Telepresence in Australia

Not to be left out in the cold, Vidyo, claiming to be the first company to deliver personal telepresence, has announced a deal with Attend Anywhere, an Australian provider of remote access to medical services, education, and training customers, to provide HD video conferencing to its customers. Vidyo apparently defines telepresence as “the ability for anyone, anywhere and at any time to communicate with HD video quality.”

Personal Telepresence in Tandberg

Not to be outdone by Cisco, who recently claimed to have 500 telepresence systems ordered, Tandberg announced it has shipped 10,000 personal telepresence units, aka the Tandberg Centric 1700 MXP. In an unrelated but related announcement, Tandberg revealed that CLEC One Communications is using six Tandberg Experia systems to unify the company following a three-way merger.

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News in Brief

- HP is buying EDS for \$13.9B in a move that will double HP's global services revenues. HP denies that this merger is a response to the BT Conferencing acquisition of Wire One.
- We expect to report on the videoconferencing industry statistics for Q1-2008 in our next issue. Contact sfargo@wainhouse.com if you would like to order the full year's subscription.
- UK-based MeetingZone, an audio and web conferencing service provider, has opened offices in Boston, USA and Toronto, Canada.
- SMART Technologies announced a 10 percent price reduction for North American educators on its 94" (238.8 cm) SMART Board 690 interactive whiteboard. The 690 offers a 16:9 aspect ratio and 33 percent more active working surface than SMART's most popular 680 model.
- Yamaha has introduced a new USB speakerphone intended for conference rooms rather than personal desktops. Aimed at web conferencing users as well as Skype fans or anyone wishing to do personal telepresence from their PC, the device contains 12 mics and 2 speakers as well as volume and mute controls, etc. MSRP is \$699.
- Glowpoint reported Q1 revenues of \$6.0M, a record for the company.
- Genesys Conferencing reported Q1 revenues of 39.0M Euro, up from 36.2M euro in Q1-07. Genesys Meeting Center revenue was 31.6 million euros in the first quarter of 2008, an increase of 8.7% or 2.5 million euros from 29.1 million euros in the first quarter of 2007. Coincidentally, West Corporation announced a successful tender offer for Genesys.
- BT and Siemens Enterprise Communications have entered into a global sales agreement to offer a converged communications solution for large multinational enterprises. This solution combines Siemens OpenScope suite of communications software applications and OpenScope services with BT's MPLS network.. This is not unlike Siemens' relationship with IBM and OpenScope. The customer may choose either BT or Siemens to purchase from. It does not matter in terms of what they receive, only which schedule A it is written on, with cross-compensation for the sales force.
- Netbriefings, a webcasting services provider that specializes in helping businesses communicate with video, announced a new "Multimedia for Business" blog (blog.netbriefings.com) that will address the different methods available for delivering corporate communications.



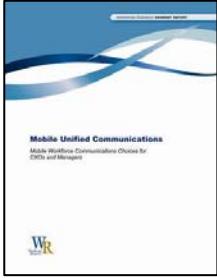
Is Telepresence a Game Changer ?

Panel Discussion Video Webcast on May 27: [Register Now](#). It's FREE



We've decided to shed some light on the growing world of telepresence and videoconferencing. Is there a difference, does anybody care, and is your job in jeopardy? So.... We're putting together a panel of expert videoconferencing end users for a no-holds-barred discussion on these issues and the future of the visual communications. This one-hour session will take place through the magic of multipoint videoconferencing and be STREAMED LIVE to the Internet and available to anyone who registers. The magic wand is being provided by Glowpoint. We've convinced one telepresence enthusiast to join our cantankerous video manager from a pharmaceutical company and the surly video enthusiast from a financial services company to be on the panel. **We are still looking for another panelist volunteer** - hopefully someone out there with real telepresence experience (we've come to believe most telepresence users are very shy). Contact andrewwd@wainhouse.com. This powered-by-Glowpoint session will take place at 11:00 EDT on May 27... moderated by Jason Ader of Thomas Weisel Partners and Andrew W. Davis of Wainhouse Research.

Anyone Going Mobile? New Mobile Unified Communications Report Available



Our newest report, **Mobile Unified Communications: Mobile Workforce Communications Choices for CXOs and Managers**, describes solutions aimed at integrating mobile devices within a larger unified communications strategy. The 214 page study reviews mobile UC offerings from 28 providers including PBX manufacturers, mobile operators, wireless networking companies, software vendors, and new companies offering enterprise mobility servers and carrier fixed-mobile convergence infrastructure. For each solution we describe the value proposition and show how it works. We outline how these solutions provide key capabilities including single number reach, a single voice mailbox, corporate directory access from mobile devices, transitioning between cellular and fixed line or Wi-Fi voice, and integration with the desktop and the enterprise PBX. The report includes a matrix comparing the solutions covered. For more details including an executive summary, visit www.wainhouse.com/ucreports.

Boston Collaboration Summit Update

Driving Processes and Innovation with Collaboration Solutions



Our 8th annual Collaboration Summit moves back to Boston this year, in a new venue on the Charles River in Cambridge, MA at the Sonesta Hotel, 3 minutes away from downtown. This year's event includes our Technology Showcase format on July 16, and a two-day conference on July 17-18 that will feature several leading-edge workshops and a variety of interactive sessions on the benefits of collaboration technologies. Besides our keynote on *Surviving in a Digital Life World* by MIT's Andrew Lippman, the focus of the conference will be on driving process innovation in the enterprise and in the teaching environment.



Jon Neville

Tony Scafide

Rebecca Clothey

Steve Nelson

Details and registration at www.wainhouse.com/boston08. Some of the thought-provoking presentations on the agenda include:

The Challenge of Implementing UC by Wainhouse Research's own **Jon Neville**; *The Power of Being There: UC and Video at the Federal Reserve Bank*, by the FRB's **Tony Scafide**; *Enhancing Distance Education with Multimedia: Lessons for Building a Results-Oriented, Successful Business Model for Adult Distance Education* by **Rebecca Clothey** of Drexel University; and *Secrets of the Temple: What Vendors are Missing for Today's Teaching and Learning Markets* by **Steve Nelson** from the State of Oregon.

Vendors participating in our July 16 Technology Showcase include AGT, Avistar,

Compunetix, Dialcom, Emblaze-VCON, Global Crossing, Juniper, Masergy, NetBriefings, Radvision, Smart Technologies, Vidyo, York Telecom.

A limited number of sponsorship and technology showcase opportunities remain - contact Sara Fargo, sfargo@wainhouse.com.



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People & Places

Haivision, **Rick Snow**, VP Operations

Videre Conferencing, **Nicole Reynolds**, General Sales Manager for Western US

Imago Group, **Clint Cronje**, Managing Director, **Marius van Wyk**, Head of Technical Services, and **Dirk Schreuder**, Head of Sales. South Africa Operation.

Westcon Group, **Deborah West**, Sales Account Manager – formerly Distribution Channel Account Manager with Polycom; **Craig Chester**, Technical Manager – formerly with ReView Video UK, **Lee Evans**, Product manager – formerly with ReView Video UK; **Sophie Heath**, Sales Account Manager – formerly with Hardware.com.

MeetingZone, **Bryan Walkey**, North American operations

Conferencing & Collaboration <u>Event Calendar</u>	
WHEN & WHERE	WHAT & WHO
27 May, via the Web	<u>Is Telepresence a Game Changer?</u> Panel Discussion Video Webcast
10 June (new date), via the Web	<u>How to Start a Distance Learning/e-Learning Program</u> Sponsored by WR, Citrix, and the Center for Interactive Learning and Collaboration - WR Analyst Alan Greenberg to present
16-18 July, Boston, MA	<u>Wainhouse Research Collaboration Summit – Boston</u>
27 October, Boston, MA	Wainhouse Research CSP Summit

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