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## News in Brief

- Macromedia has announced a new version of the Flash Platform, dubbed Flash Media Server 2. This product is used by developers to build both real-time and streaming audio/video/data applications. One example of a Flash-based product is Macromedia's own Breeze video-enabled web conferencing and collaboration product and service. Flash is installed on nearly 100% of today's desktop PCs, giving Macromedia a smooth inroad to enterprise desktops. We believe we are going to hear much more from some important Flash-based partners in the conferencing and collaboration space in the very near future. And we are assuming that the impending acquisition of Macromedia by Adobe won't slow these developments.
- Systems integrator/managed services provider/independent software developer/all-around good guys AGT have introduced their own ruggedized portable system in a briefcase form factor. The IC360 includes a ruggedized laptop, portable printer, Logitech camera, GPS subsystem, satellite phone, and H.323 videoconferencing software. We're guessing its Polycom's PVX software, but AGT isn't saying. We believe the system was first requested by the National Guard, but with the Katrina disaster, interest has skyrocketed for AGT.
- ACT Teleconferencing has completed the first closing in a series of transactions expected to raise \$16 million for the Company. Dolphin Direct Equity Partners paid \$100 per share for 80,400 shares of Series AA Convertible Preferred Stock.
- Sonexis has secured \$2.5 million in Series B financing led by Boston-based Velocity Equity Partners and private investors.
- Looks as though Google (the new home for Internet pioneer and TCP/IP inventor Vincent Cerf) is looking to add video capabilities following its launch of the Google Talk messaging and voice communications service. The battle with goliath Microsoft is sure to heat up as these two approach the limits set by Einstein's law of the conservation of mass and creative energy.
- Hoping to jump-start what the company views as a hot market for video on just about any electronic device (as well as interest in the DaVinci Code), Texas Instruments has unveiled a platform (not a semiconductor device) intended to cut development time for video applications. The heart of the DaVinci announcement is a C6000-series DSP with a C64x+ core that can be customized by designers. DaVinci will include a family of silicon devices, software code including codecs, and third party partnerships for TI.
- The provider of FreeConferenceCall.com, a reservationless, free conference call service, has introduced an Enterprise Edition FreeConferenceCall service, a totally free, reservationless, 24/7 conference call service to provide enterprise-wide tracking and management tools online.
- Alcatel has selected Convidia media servers for the processing element for Alcatel's media resource product suite. Under the agreement, Alcatel will market and resell Convidia technology as an integral component of its media resource products to carrier and enterprise

customers around the globe. The Alcatel product provides multimedia interaction and media delivery including customized announcements, streaming, multimedia conference bridging, DTMF collection, synthesized speech, speech recognition, and call routing with detection of operator transfer instructions. The Alcatel products use a common architecture to provide the same capabilities to both TDM and Next Generation IP networks.

- MCI announced a hosted digital media solution aimed at media and entertainment companies with digital content production and distribution needs. The ICF Media Platform Hosted Edition enables companies to efficiently manage, edit and securely distribute digital media content.
- Canada's Bell Mobility has deployed the OZ Mobile IM solution, enabling its customers to stay connected to friends and family members on their mobile phone using Microsoft's MSN Messenger instant messaging service. Studies have shown that Canadians send more than 3.4 million mobile text messages a day when they are not playing hockey.

## Internet 2 at the CSP Summit



The [CSP Summit](#) is just three weeks away! We have put together a compelling agenda (October 6-7) that we hope will challenge CSPs and their partners to explore new areas for growth. We are also providing numerous opportunities for

networking during breaks, lunch, and a cocktail reception. [Sign up now](#); there is limited hotel and conference space and the conference has sold out every year.

Jonathan Tyman from Internet2 will lead a session entitled, *The Super-charged Internet and Conferencing Services*. Real-time collaboration on the current Internet2 provides a glimpse of the future public network. This talk focuses on communications without bandwidth constraints and reflects on challenges in providing rich media collaboration services today. Can we hope for hifi audio, hi def video, and high bandwidth data fully integrated with corporate context, presence, and IM operating between and through public and private IP networks? Jonathon's primary duties at Internet2 include managing Internet2 Commons, focusing on next-generation IP collaboration for research and academic institutions. His current work provides a glimpse into what may be the future of the commodity Internet and emerging collaboration tools and services. Jonathon holds a Ph.D and M.S. from the University of Michigan and a B.A. from St. John's College.



Details on the agenda, sponsors, and hotel accommodations are at [wainhouse.com/cspsummit](http://wainhouse.com/cspsummit). WR has negotiated a special nightly rate of \$150 at the exceptional W Hotel Lakeshore in downtown Chicago. To reserve your room, contact our events coordinator Kris Kristie at +1 609.714.2222, [kkristie@espkits.com](mailto:kkristie@espkits.com) and identify yourself as a CSP Summit attendee.

## WR Thought Leadership Seminar Series – September

**Enabling Distributed Workgroup Productivity  
Through Presence-Based Unified Collaborative Solutions**

[Click Here  
to Register](#)

**Speakers:** Mark Roberts, VP, Partner Marketing, Network Systems Division, Polycom  
Marc Sanders, Product Line Mgr – Real-Time Collaboration Bus Unit, Microsoft

**Date:** September 21, 2005 – Wednesday

**Time:** 12:00 noon Eastern (New York)

This seminar discusses how unified collaborative communications increases remote workgroup productivity by allowing distributed teams to rapidly resolve critical issues through presence-enabled high-quality multiparty voice and video systems.



Mark Roberts



Marc Sanders

## Other News in Brief

### eBay to Acquire Skype

We have to believe this is one of the strangest deals we've seen (admittedly, we had similar thoughts when Cisco acquired Latitude, though we've since seen the light here). What does an on-line auction company see in a VoIP phone service? Would you pay \$2.6 billion in cash and stock, and possibly another \$1.5 billion if Skype's growth meets certain future goals? For a company that today has miniscule revenues, but lots of hype. Do you think on-line sellers are going to want to voice chat with bidders? Use Skype's presence to know when each other are online? Will this capability drive more sales, and hence more commissions to eBay, which is currently enjoying revenues of about \$1 billion per quarter? Color me surprised. Color me doubtful. Or color me myopic. Indeed the day may come when we're all doing conferencing and collaboration using VoIP and Skype-like services; I just don't see the business model.

### Oracle to Acquire Siebel

Yes, another large software acquisition, as the playing field consolidates. The interesting possibility here is the eventual convergence of Oracle's thrust into enterprise software applications with its developments in web conferencing and collaboration. Deals like this could help lead to the day when conferencing (audio, video, IM, and web) are all integrated into front-line business applications like Siebel, PeopleSoft, etc.

### Vertical Communications to Acquire Comdial

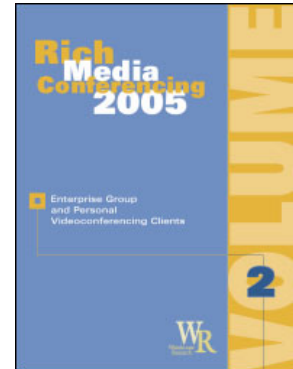
Vertical Communications intends to acquire Comdial, a provider of digital and IP-PBX phone systems to approximately 400,000 small and medium-sized business customers. The company is also in the process of rolling out TeleVantage version 7, an IP-PBX system.

### New Whitepaper From Wainhouse Research

**Emerging Technologies for Teleconferencing and Telepresence** This paper describes the latest developments in the technologies that attempt to improve the conferencing experience by creating a more enhanced feeling of "connectedness" for videoconferencing and collaboration applications. These developments include enhanced eye contact, innovative approaches to multi-way conferencing, and totally immersive meeting environments. Each of these new approaches is explored, along with a description and analysis of some of the key vendors who sponsored this paper, including Be Here, Codian, Destiny Conferencing, Digital Video Enterprises, LifeSize Communications, PangeAir, Sony Corporation and Teliris. For organizations seeking to provide their end-users with a more natural and "in-person" conferencing experience, this FREE white paper covering enhanced visual collaboration technologies provides valuable insights and tips. See [www.wainhouse.com/whitepapers](http://www.wainhouse.com/whitepapers) to download.

### [Rich Media Conferencing 2005](#)

*Volume 2: Enterprise Group and Personal Videoconferencing Endpoints*



This market study is part of our annual flagship series of reports on conferencing and collaboration products and services.

Volume 2 is an in-depth study of the videoconferencing endpoint market, technologies, and major vendors. The 201-page report includes a review of the top 11 endpoint vendors worldwide that we believe are either leaders in their respective markets or candidates to become industry players because of their unique technology or innovative business strategy. Includes market sizing and our 5-year forecast for Europe, North America, and Asia Pacific.

See [www.wainhouse.com/reports](http://www.wainhouse.com/reports) for complete details and a FREE executive summary

## People & Places

Skype, **Liz Rice**, Partner Manager

BCS Global, **Jerry Dunn**, Director of Business Development

Sony Videoconferencing, **Mike Guerrero**, Cisco National Account Manager

Google, **Vincent Cerf**, Chief Internet Evangelist (CIE)

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## One on One with Eli Reifman, Emblaze Group CEO



In the August 23 issue of the WRB ([vol 06 issue 27](#)) we reported on the acquisition of the assets of VCON by Emblaze Systems, part of the Emblaze Group. We finally got a chance to catch up with the peripatetic Eli Reifman, the CEO of Emblaze and ask him about some of his very unusual business philosophies.

**WRB:** Before we start, one quick background question on Emblaze Group. You've reported that the company consists of five businesses, one of which is Emblaze Group. Can you clarify the relationship between the five businesses. For example, do they all have their own sales forces?

**ER:** Yes, they all have their own sales forces, but often they work together as they address the same client base. The idea behind Emblaze is that these are all companies with one strategy, one guiding set of principals, generally focused on one market – telecommunications in its broadest sense – very much like Motorola model. They all specialize in some aspect of what we call convergence – the coming together of fixed, mobile, and IP communications. But while the businesses are separate, they all share certain infrastructure elements, like a backoffice system, and a CRM system.

**WRB:** Motorola?

**ER:** We have five businesses today, but we intend to grow this number over time. Motorola has 50 or 60 business units, many of them providing specialized solutions to one large customer. If the leverage is there in technology, infrastructure, and market presence, this is a very viable business model.

**WRB:** OK, so why did you buy VCON? (editor's note: the acquisition has not yet closed)

**ER:** First of all, VCON is a company we have known for a long time. Our Orca business has worked with them in the past on combining two way communications with IPTV. This will be common in the future; people will be able to interact with TV programs and advertisements to request more information or to actually buy products. VCON has good technology and good products; but has seen misfortune in the market.

**WRB:** Emblaze sells to service providers; VCON sells to enterprises. Tell me why this isn't a giant misfit.

**ER:** You're right about the past. Modifying enterprise products to make them suitable for service providers is not a viable strategy. But I think you will find that many of our service provider solutions are easily modified for

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enterprise use. Service provider products must have the reliability and robustness and scale needed by those customers, but these products can be modified for the enterprise market. We've already converted some of our telecom solutions for Defense products and homeland security products for use by airports and large enterprises. We intend to capitalize on this opportunity further, using VCON's enterprise focus as the opening.

**WRB:** I get the feeling from reviewing your website [Emblaze.com](http://Emblaze.com) that you are really focused on the wireless 3G market.

**ER:** Again, our real focus is on the convergence of fixed, mobile, and IP communications. Both companies bring a lot to this picture. We intend to be at the nexus of the television, the telephone, and the PC. At some point in time there will be seamless connectivity between these devices. For example, people will make a video call between these devices, and they won't have to worry about endpoints or the pipelines between them; it will all just happen. If you look at the five Emblaze businesses, you see that much of what we are doing will fit into this picture.

**WRB:** Do you really think people want to make video calls from cell phone?



**ER:** What we are talking about here is a cultural transition. And the answer to your question is "yes". It's like moving from radio to TV... no one believed this long time frame to be necessary way back then. But it will take time for this to become mainstream. Cultural transitions take about 25 years.

**WRB:** So, does Emblaze take a 25-year view of the world?

**ER:** Absolutely. Growing a company is like growing children. Children take about 18-25 years before they become contributors. Companies are the same if they are involved in next-generation products and services, if they are banking on cultural change. You need to have a long term view, with values, culture, and a knowledge base geared for the 25-year transition. Video will be popular on all types of telephones and telecom endpoints, but probably not for another 5 years before we start to see reasonable penetration. Look at the Internet; public availability really started in 1993 and today about 50% of the world does NOT have Internet access. Your children or grandchildren will not be able to live without SMS and video, while your parent's generation has no interest in either.

**WRB:** Ok, but you can color me doubtful on cell phone video. Maybe I am myopic.

**ER:** Remember, it wasn't so long ago that people had to go somewhere to make a telephone call. Now everyone in the Western world has several telephones. Video will be mainstream, just not right away. But look for strong growth in video adoption over the next 15 years. That's the picture Emblaze is focused on.

**WRB:** So, are you intending to continue to compete in the room systems market. By my calculations VCON is a distant fifth in this market, behind Aethra, Polycom, Sony, and TANDBERG.

**ER:** Yes, we will continue to compete. We have closed many gaps on price/performance and we believe we can provide all these competitors a decent fight. But we think Emblaze VCON has a wider view. We are focused on converged communications. We have a long term view of the market, and we are willing to invest to make that view a reality.

⇒ [WR Forum: VCON to be acquired](#)

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