
Q2-07 was another banner quarter for the videoconferencing industry. We’re letting the figures speak for themselves.

The Wainhouse Research Videoconferencing Endpoints SpotCheck report is available as a separate for-fee service. Subscriptions are for a calendar year and include four quarterly reports with the Q4 report also adding an annual summary. To see a sample of a complete report (Q1-2007; includes an order form), click here to download the pdf.

<table>
<thead>
<tr>
<th></th>
<th>Q2-06</th>
<th>Q1-07</th>
<th>Q2-07</th>
<th>Seq Growth</th>
<th>Annual Growth</th>
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<tbody>
<tr>
<td>Total Group Rev.</td>
<td>$196</td>
<td>$250</td>
<td>$262</td>
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<td>Total Group Units</td>
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<tr>
<td>Infrastructure Rev</td>
<td>$53</td>
<td>$69</td>
<td>$76</td>
<td>11.1%</td>
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Videoconferencing Group Revenue Q2 2007

- Polycom 38%
- TANDBERG 39%
- Other 3%
- OTC 9%
- Huawei 2%
- Aethra 3%
- Sony 6%

Videoconferencing MCU Revenues Q2 2007

- TANDBERG 24%
- Polycom 26%
- Codian 11%
- ZTE 16%
- RADVISION 14%
- Other 9%

Group Unit Shipments in UK

WW Group System Revenues - Regional Split
Telepresence News: Tandberg – HP Update

Boldly claiming to open up the world of telepresence (whatever that is), Tandberg and HP made a joint announcement that covered a variety of issues and left several industry watchers (not WR) scratching their heads. So, first the facts:

HP is introducing a new Halo product dubbed the HP Halo Collaboration Meeting Room. MSRP is $249K. While the old Halo is a room replacement product (completely changes the entire room environment) selling for about $400K, the new Halo is a room enhancement product – if the doors to your conference room were wide enough to roll in the new Halo product. Yes, this Halo configuration is specifically designed for installation inside an existing conference room. While the system is complete and undoubtedly identical to the original Halo from an electronics point of view, the list of options gives away some of the secret. Optional extras for the new Halo system include a lighting kit, a back wall, and a document camera.

A second part of the announcement is about the new HP Halo Gateway, a solution that links Halo studios and standards-based videoconferencing systems. The HP Halo Gateway Solution ($40K) consists of a TANDBERG 6000 MXP codec, a TANDBERG Video Switch, a Halo video compositor, an HP ProLiant server and HP-designed software. Like Halo, the gateway is a CPE solution, not a service, and will be supported by the Halo managed services team at no additional charge to customers (who are already paying $18K per room per month).

Our Comments: The new Halo room is a standard marketing technique in high tech to expand your available market by introducing lower priced solutions – in this case it looks like the performance factors stay the same but the environmental effects needed to make the remote room look exactly like the local room have been eliminated and the perceived entry price greatly reduced. A more interesting question is how the $250K Halo product will compare with the $200K Tandberg Experia. They are close in terms of “room enhancement philosophy” and getting closer in price, and both are being sold by the HP sales team. When queried on this issue, the vendors replied that it was all a matter of “giving customers a choice.”

Adding a Tandberg codec to a Halo Suite and calling it a gateway solution is a clever marketing ploy. The integration between the Halo world and the Tandberg or industry standards world is done at the video level - fundamentally, the gateway is equivalent to bringing in a Tandberg 6000 MXP and connecting its video output to the Halo display. The video switcher and other gear make the solution a bit more elegant, but essentially this is what is going on. Our understanding is that the “gateway,” at least for now, still requires the user to use the Tandberg hand-held remote. And of course the Halo control system needs to know what is going on, so some HP software enhancements are part of the gateway solution. However, the intended result should be achieved in that the user will perceive a seamless call connecting both Tandberg (or other industry-standard devices) and the Halo worlds – and connecting worlds is what gateways are all about.

On an unrelated note; the Telepresence vendors are extremely reluctant to share their revenue or unit shipment data with WR. We like to track quarterly market data of course and share the worldwide totals with our readers. Nevertheless, in the press release HP claims 120 studios in operation in 22 countries. We estimate that approximately 35 of these are internal to HP and the remainder with customers.

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Green News in Brief

Automatic Carbon Reduction Tracking

It was only a matter of time before someone produced a software utility to track carbon dioxide (CO₂) emissions, and WR recently had a chance to see a demonstration of The Visual Environment, Ltd’s Video-Miles. While conferencing and collaboration have long been touted for reducing travel and improving productivity, the interest in finding ways to quantify the environmental impact of our industry’s technologies has rapidly begun to increase. Beginning with TANDBERG’s July launch of its Green Initiative and companies like Genesys, Arkadin, iLinc and SPL announcing green officers, calculators, and/or initiatives, vendors and service providers are jumping on the bandwagon of the environmental cause.

Two UK-based videoconferencing industry veterans, Patrick Hodgson and Calum Miller, have produced a hosted software service that monitors and analyzes number of meetings, carbon saved, “video miles traveled,” hours of usage, and man-hours saved. Interfacing to all of the major videoconferencing management software packages (GMS & ReadiManager, TMS, Lifesize Control, RADVISION Iview) as well as gatekeepers like ECS, Video-Miles captures data from the management software server and delivers it via HTTP/HTTPS. It then automatically produces graphical reports that can be factored into efforts to reduce one’s organization’s carbon footprint, or to identify locations that might require additional efforts (policies, mandates, quality-of-experience improvements) to improve carbon savings.

Video-Miles is being marketed as a network management tool for IT people plus a tool for financial analysts and green offices. The company especially hopes resellers and service providers find it useful for account management purposes, helping them drive adoption or troubleshoot usage issues. Pricing is expected to run in the £25 to £35 ($50 to $70 USD) per endpoint per month.

Here’s What Alan Thinks:

Visual Environment, Ltd can be commended for taking the initiative and creating what looks like a very useful utility. This service goes beyond any simple online calculator that might assess carbon offsets through crunching a manually-entered set of data, because it is automatic and provides data in a variety of formats and ranges. The software lets one review individual endpoints to identify issues. And its price is relatively affordable for any organisation that is also investing heavily in actually addressing its own carbon footprint. But we believe that Video-Miles has a 9-12 month window before the infrastructure and network management software vendors incorporate this sort of capability into their own reporting capabilities. And by not looking at all of the other methods of rich media communications, Video-Miles is also severely limited in its ability to provide a comprehensive view of the contribution conferencing is making to an organization’s carbon footprint. The Visual Environment Limited indicates greater capabilities are planned for a future software revision.

Patrick@thevisualenvironment.com
New WR White Paper on Reducing Carbon Footprint through Use of Conferencing

With more news from the UK, Wainhouse Research has published a white paper, *Using Conferencing and Collaboration to Reach Carbon Neutrality*, which includes survey results from more than 225 European-based users of conferencing. Sponsored by MeetingZone, the white paper provides a primer on the issues surrounding climate change, discusses ISO 14001 certification and the Kyoto Protocol, and explores how organizations can address greenhouse gas reduction through responsible adoption of conferencing and collaboration. More than half (56%) of those surveyed indicate concerns about climate change are influencing adoption, and 28% of organizations surveyed have some type of carbon emissions policy. The white paper can be downloaded from [www.wainhouse.com/whitepapers](http://www.wainhouse.com/whitepapers).

Reduced Admission to Green Power Conference

Back across the pond in the US, Wainhouse Research has arranged for Bulletin readers to receive a 10% discount if they wish to attend the *Corporate Climate Response Chicago* conference, to be held September 25-26, 2007. Topics to be covered include carbon footprint and life-cycle analysis, energy efficiency, waste management, fleet management, green power and renewable energy certificates, carbon offsetting and emissions trading, climate adaptation, and ways to engage consumers and the public on climate change. This conference will attract vendors, service providers, and end user enterprises. WRB readers should quote reference code “WHR01” discount when registering by fax. Details at [www.greenpowerconferences.com](http://www.greenpowerconferences.com).

Putting Together Programs

WebEx donates trees through Carbonfund.org when people hold online meetings. iLinc and LiveOffice have introduced special environmental programs. Arkadin held the *ArkadinAnywhere Green to be Great* web conference in May. Genesys appointed Kirsty Allenou-Stokes to the new position of Green Officer. What is your organization up to in this area? Email agreenberg@wainhouse.com with your policies, programs, and initiatives.

Other News in Brief

- This year’s PUG Annual Conference (see event calendar below) will feature *Flying Fish Productions Presents: Caution – Low Flying Fish!* Imagine a workplace where everyone chooses to bring energy, passion and a positive attitude with them each day. Pike Place Fish employees have succeeded in creating a unique team environment and now travel the country as the Flying Fish.bizFutures Consulting Team, inspiring other organizations to do the same. Caution - Low Flying Fish will illustrate that a vision is not a tool to get somewhere but rather a natural phenomenon that shapes the company and it’s future when each individual is committed to “being the whole thing”. This presentation will also explore what’s required to build the kind of team where members communicate powerfully, truly appreciate each other; and have a substantial, positive impact in the world.

*Need a job? Have a job to fill? Visit the [WR Job Bank](http://www.wainhouse.com/jobbank).*
Last week we reported on a service offering from Vidsoft aimed at making videoconferencing more attractive to professional services organizations. This week we were tipped off to an upcoming announcement from SightSpeed, likely scheduled for October. SightSpeed will launch a videoconferencing service aimed at SMBs. Users will need a PC, webcam, and a decent Internet connection (128 kbps uplink will do, but 256 is much better). Compared to the SightSpeed service that has been in existence for several years and that offers a free version for consumers, the new service, priced at about $20/month (with volume discounts likely) will feature a totally new user interface, file sharing capabilities, better quality multipoint video, a separate administrator’s console to ease administration and control, rollover capabilities for incoming calls, enhanced video mail, and a PSTN interface to add in audio participants. Perhaps more interesting, the service will feature a live call center (similar perhaps to Glowpoint’s live operator services, but priced differently). A service like this falls between the Yahoo chat-type video services and the full blown videoconferencing capabilities you may get with room-based system deployments. We’ve believed for several years that the breakthrough needed to take videoconferencing to the mainstream is not to be found in the realm of the hardware manufacturers but rather in the service provider community. Give credit to Vidsoft and SightSpeed for implementing a service that will make videoconferencing easy to use for the masses and low cost at the same time. While SightSpeed is privately held and keeps most of their numbers private, they did confide to us recently that they believe they have 50,000 users who use their service for business purposes at least some of the time. Notably, the number one business reason for using SightSpeed is not to be more green and not to save money, but to have more face time with customers. Think about it! How SightSpeed rolls out a sales and marketing campaign for their SMB service will make for an interesting business case to watch.

Three new application briefs are now available on the topics of how to use web conferencing for sales and marketing, e-Learning, and business consulting. WR – in conjunction with research sponsor Citrix Online – conducted in-depth interviews to identify best practices, benefits, and ways to maximize return on investment and avoid ineffective deployment models. The findings – available for free at www.wainhouse.com/whitepapers provide direction to any business seeking to improve its sales processes, shift training to online learning, or extend its consultative reach.
Taiwan-based Acer is acquiring Gateway in a $710M deal that will make Acer the #3 PC vendor. There were some interesting side complications. Gateway unveiled plans to exercise its right of first refusal to acquire shares in Packard Bell's parent company from the founder of eMachines, which Gateway acquired in 2004. This will prevent the ability of Lenovo to accomplish its plan to acquire Packard Bell.

Put this in the category of “it had to happen.” 1stWorks announced the launch of Files2Phones, an application that displays the contents of PC files on your iPhone using SSL to protect your data. Files2Phones works with any file that can open on a PC.