

Happy New Year Everyone

January 2010 sure looks a whole lot different from January 2009. LifeSize and Tandberg are no longer independent (or soon to be no longer independent); Sony has pulled out of EMEA; Nortel is gone; PUG is gone; Andy Miller is back; Cisco is talking about telepresence to the home; and Skype is partnering with television companies to make Skype videoconferencing (including multipoint) an everyday living room experience (HD720p to boot!). It's also likely that the videoconferencing world will soon be rocked by Microsoft OCS and RTV on one end and scalable video coding on the other. Stay tuned for more mergers and acquisitions as well as "creative destruction" in the partnership game. What's an enterprise conferencing manager to do?

On the other hand, those ever-so-friendly service providers are holding steady in the audio-web business, but managed services represents a threat growing on the horizon. And then there's that awful fear that "cloud computing" could turn everything upside down - if there is indeed such a thing as cloud computing.

Stick with us through these interesting times all the conferencing news that's fit to print, and we're keeping the WRB subscription price steady in 2010 – same as 2009, either zero dollars per year or zero Euros per year – your choice. In Asia-Pac we accept both yen and RMB. Tell your colleagues to spring for their own subscription.

News in Brief

- The Consumer Electronics Show (CES) is taking place in Las Vegas as we write this newsletter. We hope to have news to report in the next issue.
- The members of the Polycom User Group (PUG) have voted to change the name of the group to the Visual Communications Industry Group (VCIG). Much more than a name change, VCIG will be an unaligned organization where all resellers, integrators, manufacturers, and conferencing industry analysts will be eligible to become members alongside the end user companies. So, if you're a Tandberg customer, there's no reason to continue having User Group Envy (UGE). Check out www.vci-group.org.
- ZipDX, a conferencing and collaboration service provider, announced the availability of its real-time conference call transcription capability. ZipDX transcribes an audio conference call (or the audio portion of a webcast or video meeting) as it takes place. The text can be viewed via any web browser, with each speaker identified according to their telephone connection. The full transcript of the meeting is available as

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soon as the call is over. Customers of the ZipDX conferencing service can now choose between two integrated real-time transcription service levels, both using PhoneTag services from Ditech Networks. ZipDX Scribe uses professional transcriptionists and typically results in 95% accuracy with a transcription delay of less than two minutes. ZipDX Scribble uses automated transcription, with typical accuracy better than 80% and a delay of only thirty seconds.

- Aethra has split itself into three companies, as we reported last month. The network access points and test instruments group was sold to AB Media, a medical device company. One month old Ae.net is the new Italian company in the conferencing services and distance collaboration market. While a new company, Ae.net has twenty years' experience in multi audio-video, web and managed services. New ownership and greater scope characterize Ae.net, which is now looking to take on the European market. As for the videoconferencing endpoints business... now standing alone.
- Audiovisual communications solution provider AVI-SPL announced that it has qualified as an InfoComm International Diamond AudioVisual Solutions Provider (AVSP). This designation recognizes that a percentage of the company's sales, customer service and technical staff have achieved and maintained individual InfoComm Certification and have completed relevant coursework from the InfoComm Academy.
- Glowpoint announced an automated diagnostic application called Video Room Sweep ("VRS") that automatically performs comprehensive "sweeps" and emulations of video sessions for all components of telepresence and video conferencing rooms. The software is designed to offer a more automated and scalable proactive level of managed service.
- We love it when an interesting news break comes from a company we never heard of. This week it is California-based Cavium Networks (NASDAQ: CAVM), a semiconductor provider focused on products that enable intelligent processing for networking, communications, and connected home applications. Cavium's new family of full HD (1080p60) system-on-a-chip H.264 video processors combines a low latency H.264 video processor, security technology, and intelligent networking and packet processing capabilities into a fully integrated video chip intended for smart phone displays, HDMI cable replacements, home media distribution, and videoconferencing. The CNW5XXX family is aimed at OEMs looking for mass market applications such as flat panel TVs, Blu-ray players, notebook PCs and netbooks, gaming consoles, as well as SMB and SOHO video communication systems.

Comments: System-on-chip technology promises the cost reductions needed to take videoconferencing and other visual collaboration applications into the main stream consumer market. So this announcement could be very significant, especially when you combine it with the Panasonic and LG announcements of embedding Skype into their next generation flat panel televisions. Like any processor announcement, however, it is hard to get into details because pricing is complex – dependent on packaging options, speed grades, and volume commitments, etc. The one thing we do know about semiconductors, however, is that price goes down and performance goes up as time moves on.

Visual Communications Practice (VCP)

NEW

If you are a channel partner, service provider, vendor, enterprise/government end user, or a financial analyst following the visual communications market, we have important news for you. Wainhouse Research is launching a new program for 2010, the Visual Communications Practice, or VCP. With one INCREDIBLY LOW PRICE matched to your company size or category, you will gain 24x7 access to ALL the research notes, industry statistics, segment reports, videoconferencing forecasts, opinion pieces, and product / services matrices that we publish in the visual communications space. This new service is aimed especially at VARs, distributors, service providers and enterprise end users (\$2,000 per year) who, prior to the launch of this program, could not justify the cost of our custom reports and market intelligence documents. Check out www.wainhouse.com/vcp.

As an example of our in-depth coverage of the products and services in the visual collaboration space, here is a list of the comparison matrices currently available to VCP subscribers, and the list grows continuously. In fact, we just added a [video managed services matrix](#).

Visual Communications Comparison Matrices - Available via VCP subscription

Split System and Codec Only Videoconferencing Systems	Telepresence Solutions
Personal Videoconferencing Systems	Desktop Conferencing – ASP Solutions
Integrated Videoconferencing Systems	Streaming Solutions (Customer Premise)
Set-top Videoconferencing Systems	USB Speakerphones
Webcasting Service Offerings (Hosted / ASP / SaaS)	Video Bridges (MCUs)
Desktop Conferencing – CPE Solutions	Telepresence Multipoint Capabilities

Wainhouse Research in Berlin: April 19-20-21, 2010

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SUMMIT 2010

Once again we are planning our April conferences in Berlin. The CSP Summit will be a half day conference on 19 April, while the Collaboration Summit will follow on 20-21 April. We are lining up some dynamite speakers on key challenges facing the conferencing and collaboration industry. The market is changing rapidly, and we will be addressing business and technology issues that are of

interest to a wide range of end users and service providers alike. If you would like to speak at this event, contact andrewwd@wainhouse.com; if you would like to learn more about being an event sponsor, contact sfargo@wainhouse.com.

Collaboration Summit Sponsors



Three New Research Studies from WR

Details on all WR studies can be found at www.wainhouse.com/reports, or contact Sara Fargo, sfargo@wainhouse.com or +1 781 934 6165. An Executive Summary, which includes the study's Table of Contents and ordering information, can be downloaded by clicking on each study's title below.

Worldwide Unified Communications Products and Services Markets Predicted to Exceed \$30 Billion by 2013



In its third annual *Worldwide Unified Communications Products Forecast* and *Worldwide Unified Communications Services Forecast*, WR examines the rapidly evolving unified communications market from both the solution vendor perspective and from the service provider outlook. UC service providers should see rapid growth due to the complexity of premises-based UC solutions, and WR anticipates that UC services revenues will eclipse those of traditional conferencing services by 2013 or 2014. For premises-based providers, the telephony market is rebounding but the growth is constricted by lingering uncertainty in the global economy. Video providers will see high growth over the forecast period, enjoying a compound annual growth rate of 17%. Each study contains a five year forecast, industry trends, and predictions for the state of the UC industry over time.

New WebMetrics Survey Finds that Limited Resources is a Driver of Hosted Services



For web conferencing deployment, limited resources is the key driver for hosted services use, security the top driver for managed services, and control is most important as a driver for premised-based deployments, according to WR's latest *WebMetrics survey of web conferencing buyers and users*. Other trends point to increased use of web conferencing in meeting rooms by groups of individuals connected locally and remotely. And congratulations to the panel prizewinners: \$50 Amazon gift certificates to Randy B, Pitney Bowes; Jeff R, Bay Ridge Volvo; David S, Ontario Telemedicine Network; Scott V, Willamette ESD; and Isaac F, Reed Smith. The 32GB iPod touch was won by Wayne M, American State Bank. The \$500 grand prize Amazon certificate was won by Cesar M, of UT Austin.

New Report on Web Conferencing and Interactive Whiteboards in Education and Training



Wainhouse Research has just published *The Distance Education and e-Learning Landscape, Volume 3*, which covers the real-time learning tools market. The study finds that the prospects for interactive whiteboards, web conferencing, and platforms like Second Life are broad and deep. WR concludes the educational and training portion of the interactive whiteboard market totaled approximately \$880 million USD in 2009 and that portion of the web conferencing market totaled about \$680 million. The report includes forecast details for three sub-segments, discussion of market dynamics, and in-depth analysis of Adobe, Cisco WebEx, Citrix Online, eInstruction, Elluminate, IBM, Linden Lab (Second Life), mimio, PolyVision, Saba, Smart Technologies and Wimba.

Collaboration Event Calendar

Conferencing & Collaboration Events	
When & Where	Who & What
March 23-25 2010, via the Internet	Education for Everyone Virtual Symposium
April 19, 2010, Berlin, Germany	Wainhouse Research CSP Summit - Europe
April 20-21, 2010, Berlin, Germany	Wainhouse Research Collaboration Summit
July 20-21, 2010, Boston, MA	Wainhouse Research Collaboration Summit
October 12, 2010, Boston, MA	Wainhouse Research CSP Summit - North America

People & Places

IVCi, **James Fairweather**, Sales Management

One on One with Jorg Weisflog, CEO of ViDOFON AG



WRB: Let's start short & simple, who is ViDOFON?

JW: ViDOFON is videoconferencing specialist with infrastructure and network specialization. Founded in 2001. We are a certified partner of Tandberg, Polycom, Lifesize, Sony and Mirial.

WRB: You have offices in Germany, Spain and U.A.E.. Why the UAE?

JW: Dubai is a jump into the middle east region. The region is a huge potential, but 2-3 countries represent 75% of the whole market. Saudi Arabia is the biggest. It is challenging to be there because the market is working different compared to Europe. We see Dubai as a first step, to learn and to develop partnerships.

WRB: You carry a lot of brands. Why do you see this as an advantage?

JW: ViDOFON is a pure visual communications specialist. We know all the manufacturers and are certified by all of them. We believe we can choose what is the best for our customers because we have access to many different products and build a truly customer-driven solution. The downside of course is that we have to do a lot of training, but our customers profit from this knowledge.

WRB: You are offering a full video managed service. What does this mean for your customers?

JW: First: it allows the customer to convert CAPEX to OPEX. Second, the customer gets full service from a single source. ViDOFON offers bridging services in SD and HD, gateway services, firewall-traversal services and management services on a monthly/yearly basis - our daughter company, conference-tv, is providing endpoints, displays and separate IP networks as a package. All these can be a part of a complete managed service but customers can also choose just pieces to fulfill their needs. So, for customers this means we can fulfill the needs of a multinational as well as an SMB with no own IT.

WRB: How does your company support a worldwide customer base?

JW: First - we do things ourselves. Customers want us to install in Martinique or Kazakhstan because they know we do it right. Second - we are working with very knowledgeable and professional and manufacture-certified partners. They do business for us and we do business for them in Europe. That's why we can arrange on-site support, for example, in Beijing in 24 hours including replacement if necessary. Third - we are using the manufacturer's global deployment services. These services are also used by the global players like Siemens, BT and so on. Fourth - we are running large infrastructure of videoconferencing equipment, we run MCUs, GWs, FW-Traversal, streaming and recording and are offering customers an automatic failover. Fifth - in a remote-controllable world a lot is possible. Sixth - we have the right people in place.

WRB: You recently acquired DEKOM Systemhaus. What motivated you to do this acquisition? What exactly does the new company bring to Vidofon?

JW: DEKOM Systemhaus is one of the leading AV system integrators and conference room design engineers in Germany. Hence, ViDOFON as one of the leading videoconferencing specialists in Germany with infrastructure specialization and Dekom will form one of the most interdisciplinary and cross-functional conferencing specialists. The future in the videoconferencing business will focus on strong network knowledge, consulting, managed services and integration. Our two-sided expertise will be a very good match.

WRB: How will customers benefit?

JW: Our customers won't have to split their projects to multiple vendors. Today they may use an IP videoconferencing and infrastructure expert and a room integrator, planner, programmer, and design engineer. Our customers can get the complete solution from us. This will accelerate the process. Consulting times and realization times will be decreased, pricing will be more interesting, timings and decisions much faster.

WRB: Recently Cisco announced its big deal acquiring Tandberg. Honestly, as a Tandberg Premium Partner, don't you worry about far-reaching changes in your business?

JW: No, we do not worry. Cisco and Tandberg will drive the market and increase business opportunities not only for Cisco-Tandberg, but also for Polycom and Lifesize and the other manufacturers. I would like to see Cisco leave the Tandberg channel as it is, open the Tandberg portfolio to the Cisco resellers through partner certification and training to maintain the high quality of the Tandberg partner community today. Of course we expect to see changes in our business. Endpoints will become cheaper and deployments will become larger, therefore infrastructure and integration in existing networks, integration in UC solutions and managed services will become bigger and more complex. We are prepared for this.

Letters:

Andrew: Thank you for covering the launch of Movi 3 in your latest WR Bulletin (Vol 10 #26). There is one statement that I think should be corrected to avoid confusion.

You stated that “Movi also adds H.263 support, making Movi, combined with Tandberg’s TCS device, compatible with industry-standard room systems.” Ever since the first generation, Movi has been standards-compliant (like everything else coming from TANDBERG) and hence compatible with industry-standard room (and desktop) systems using the H.264 codec. The addition of support for the H.263 codec has nothing to do with making Movi *more* compatible; the H.263 support was added to support backwards compatibility with content sharing, as the overwhelming majority of over-one-million standards-compliant video systems out there use H.263 for content sharing.

One fringe benefit of the addition of H.263 support is that Movi is now natively compatible with Microsoft OCS, as (absent RTV/RTA) H.263 is the default codec for communicating with the Microsoft Office Communicator client.

And finally, contrary to your write-up, the solution is not dependent on TCS (Tandberg Content Server) at all. I suspect you meant to say VCS (Video Communication Server), which provides the SIP-H.323 interworking, but VCS is the SIP registrar for Movi anyways, so is always part of the solution.

I hope this clarifies some of the confusion.

Best regards,

Tolga Sakman, TANDBERG

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