

## VoiceCon is Dead.... Long live Enterprise Connect

Five of your favorite Wainhouse Research analysts made the trek to Orlando two weeks ago to attend the annual VoiceCon extravaganza. VoiceCon (once named PBXcon) has been around since the 18<sup>th</sup> century when it was focused almost exclusively on issues related to voice communications, particularly PBXs, which were in their infancy and considered high tech by George Washington and his compatriots.

About six or seven years ago the focus of the conference and the keynote sessions at VoiceCon shifted dramatically to Unified Communications. Arguments which were focused very much at one time on Avaya vs. Nortel shifted to IBM vs. Microsoft vs. Cisco. Then about two years ago webcams and videoconferencing systems began to show up on the exhibition floor. In 2009, many attendees in fact suggested that the show should be renamed VideoCon. Not to happen, the management of the show has decided that Enterprise Connect is the best new name that reflects the technologies and challenges facing enterprise communications managers today. And we agree with this decision.

Enterprise Connect avoids the overused terms communications, B2B, interoperability, voice, video, web, unified, telepresence, collaboration, and who knows what else. Congratulations to the naming team at techweb.

Here are just some of the highlights we saw or heard in Orlando. (more in next issue)

**Avaya:** Avaya's presence in the videoconferencing space continues to grow thanks to its ongoing relationship with Polycom, its recently announced interoperability relationship with LifeSize, and its acquisition of Nortel's VNOC (video network operations center) business – an end-to-end managed service that has been in operation for 10 years and includes 5 NOCS around the world. We expect that Avaya's involvement in videoconferencing will expand further as more video endpoint and infrastructure vendors seek to connect to Avaya's Aura platform to gain access to Aura's advanced SIP session management and unified communications functions.

**Cisco:** On the eve of consummating its Tandberg acquisition, Cisco is finally bringing all the pieces. We refer here to a very very impressive demonstration of WebEx and WebEx video integrated into a telepresence call (multipoint to boot). The displays were logical and clear as we were able to see what the call looked like from users on all sides ranging from CTS 3000 suites to laptops with webcams. The performance was surprisingly good – by which we mean the webcam videos looked clear while the laptop screens did a nice job of displaying the telepresence rooms.

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**Conference Sessions:** We had a knock-down early morning panel session on Scalable Video Coding at VoiceCon. Representatives from Masergy, Netforecast, Polycom, Tandberg, and Vidyo pulled no punches in telling the audience how they were going to thrive in the SVC revolution or how they were going to best SVC without actually doing SVC, while their competitors on the panel would wither and die a painful death. A good time was had by all.

**Dimension Data:** The DiData team briefed us on their growing interest and capabilities in the video space. The company rightly views “video as the new voice” in terms of revenue and deployment opportunities, and has enjoyed significant success as one of only two global Cisco telepresence partners (HP is apparently the other global partner). Although the company has yet to roll a “formal” videoconferencing managed service (stay tuned – this should arrive within 2010), the company did brief us on an interesting offering released in 2009 that leverages Cisco CUCIMOC to add bandwidth management and call admission control capabilities to Microsoft OCS environments.

**Grandstream:** Cost-effective telephony / PBX vendor Grandstream demo'd a variety of Skype-ready products including an IP PBX and analog gateway. The Skype analog gateway is especially interesting as it allows families to create a Skype ID for the entire family and then place and receive Skype calls – including Skype out calls to standard telephones – using their existing house telephones.

**HP:** HP continues to strengthen its support for Microsoft OCS and related portfolio items. At VoiceCon, we saw an OCS gateway for the company's Halo systems that enabled 720p30 at both ends of the call. **Polycom-HP:** Polycom announced an expanded global agreement by which the entire portfolio of Polycom solutions will be sold by HP. According to a Reuters release coming out of India, HP said it was terminating its relationship with Tandberg (are you surprised?). Polycom also had an impressive demo in the booth – two systems side by side in an HD video call. One was running H.264 at a megabit while the second was running H.264 HiProfile at 512 kbps. Booth attendees were challenged to decide which was which - as they say in the commercial, “only Renee's hairdresser knows for sure.”

**Psytechnics:** IP voice and video performance and service management vendor Psytechnics announced version 5 of its Experience Manager UC and Collaboration management platform. Like prior releases, Version 5 focuses on measuring and assessing the QoE (quality of experience) of conferencing and collaboration sessions. This new release, however, adds multi-tenant capabilities and a new results assistant that explains a variety of QoE issues in plain English to enable less experienced (and less expensive) technical resources to successfully troubleshoot complex issues.

**Tandberg:** Tandberg demo'd its new advanced media gateway, a solution that enables Microsoft Office Communicator 2007 R2 users to connect and collaborate in HD with other standards-based video and telepresence systems. The gateway can transcode Microsoft's Real Time Video (RTV) format to industry standard H.264. Also in the Tandberg booth was a demo of Callway, a subscription-based hosted service to deliver voice and video across the Internet. Available for now only in the US, the service according to Tandberg is intended for customers with 10 endpoints or fewer. Purchasing a Callway subscription works much like purchasing a mobile phone subscription. Customers work with a TANDBERG Partner to select their preferred video endpoints and then the

Partner activates the service, which automatically supplies the customer with a local phone number for each system. The customer can immediately begin making video and voice calls to any other Callway subscriber, any other standards-based video conferencing and telepresence system provisioned for external calling, and any domestic landline or cell phone.

**Vidyo:** Vidyo had two announcements buried in its colorful booth. VidyoVoice is a new service that connects any voice-only participants to a Vidyo conference. The service provides a dedicated phone number that each customer gives its employees to access the meeting by phone. An annual subscription fee of \$600 includes 750 minutes per month and up to ten people can call in via a single number. A real attention grabber was a demo using Vidyo videoconferencing software and a low cost, 24" touch-screen PC (MSRP about \$1k). The system decodes 1080p and encodes whatever the processor, camera, and bandwidth will allow. A \$2k version of the touch-screen PC includes a quad-core processor and will encode 720p30. The Vidyo people were encouraging visitors to compare this solution to the executive systems available from the competition at 5x the price.



**Verizon Business:** VZB had a strong presence at VoiceCon this year. The company was touting two new developments: 1) the company has been named a Microsoft SIP trunking partner, a move intended for the OCS applications space; this complements other Verizon services that help enterprise customers simplify management of unified communications by outsourcing UC applications and management, and 2) VZB is deeping its relationship with Cisco and now offering a range of managed and B2B services for customers of Cisco's telepresence products. Telepresence meetings are supported by two VZB exchanges which run on Verizon's private IP network infrastructure. In addition, two NOCs (Chicvasgo and Hong Kong) will provide concierge services to set up and manage meetings round the clock. Installation and maintenance of telepresence rooms will be supported by Cisco channel partners.

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## News in Brief

- Tandberg has introduced a new system for the telemedicine market. Based on the C40 codec, the Clinical Presence System (CPS) was actually designed from the ground up to address the top 97 (Andrew's count, not Tandberg's) concerns of health care professionals, ranging from size, mobility, I/O options, screen and camera placement and articulation, storage capabilities, power supply options, motorized height adjustments, software user interface, hardware user interface, audio quality, ruggedness, and 84 other factors. MSRP starts at \$34,000 with multiple configurations possible. Available for now only in the USA and Canada pending further government approvals.



- iPad mania department: Citrix Online's GoToMeeting web conferencing service is now available for the Apple iPad as is the company's Citrix Receiver which makes it easy for iPad owners to take a virtual office with them anywhere they go by providing secure access to all of their corporate applications and documents. Cisco has also introduced WebEx Meeting Center for the iPad.
- Vidyo closed on a \$25M Series C round of funding, bringing the total amount of capital raised by the company to \$63M since 2005.
- City Information Services Limited (CityIS Ltd.) signed a strategic partnership agreement with Vpod Solutions Limited. CityIS becomes one of the first video communications specialists in the UK to partner with Vpod Solutions, allowing them access to deploy the Vpod solution portfolio globally. Vpod designs and manufactures a standalone integrated room designed to meet the perfect environmental setting for a consistent and controlled video conferencing experience.
- Cisco announced that Bank of America intends to deploy 200 units of Cisco's "telepresence" systems. The bank currently has 28 Cisco systems.
- Glowpoint raised additional equity capital of \$3 million.
- Appia Communications, known for its VoIP and network services, has launched 1080p HD videoconferencing "as a service." The Michigan-based company's conference room

package, which includes an HD camera, 60-inch display and microphone, is just over \$10,000. Customers can use their own infrastructure or Appia's video service option.

- The Obama Administration held a forum on Workplace Flexibility at the White House. The President and First Lady discussed the importance of creating workplace practices that allow America's working men and women to meet the demands of their jobs without sacrificing the needs of their families. Conferencing and Collaboration Anyone?????

Vincent Persico (1953-2010)

It was great sadness that I must report that Vinny Persico of Ridgewood, NJ died March 18 at the Oradell Health Care Center. Vincent was Vice President of Multimedia & Telecommunications Services at Goldman Sachs in Jersey City where he worked for over 20 years. He also helped build houses for Habitat for Humanity and was an avid photographer and gourmet cook. Memorial contributions may be made to Habitat for Humanity, PO Box 2585, Paterson, NJ, 07509 or The Preston Robert Tisch Brain Tumor Center at Duke, DUMC Box 3624, Durham, NC 27710.



### Conferencing & Collaboration Events

| When & Where                 | Who & What   |
|------------------------------|--|
| April 6, online              | <a href="#">The Business and Academic Imperative for Lecture Capture in Higher Education – Why's and How To's.</a> |
| April 7, online              | <a href="#">Power and Simplicity: Finding the Optimal Blended Solution for Online Training</a>                     |
| April 7-8, online            | <a href="#">IMTC Virtual Conference</a>  |
| April 13, online             | <a href="#">Do More, Meet Less: Driving Team Efficiency with Web Conferencing</a>                                  |
| April 19, Berlin, Germany    | <a href="#">Wainhouse Research CSP Summit - Europe</a>   |
| April 20-21, Berlin, Germany | <a href="#">Wainhouse Research Collaboration Summit</a>  |
| April 22, Reston, VA         | <a href="#">Telepresence Options conf. on supply chain mgmt.</a>   |
| April 27, five UK locations  | <a href="#">Videoconferencing within the UK Charities and Housing Association sectors</a>                          |
| July 20-21, Boston, MA       | <a href="#">Wainhouse Research Collaboration Summit</a>  |
| October 12, Boston, MA       | <a href="#">Wainhouse Research CSP Summit - North America</a>  |

## Wainhouse Research Summits in Berlin



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**Chuck Stucki**  
Cisco  
*A new perspective on visual communications & enterprise collaboration*



**Chris Carr**  
Masergy  
*The Future of Networks for Video*



**Andrew Davis**  
Wainhouse Research  
*Where is videoconferencing heading?*



**Luis Carlos Garza**  
CEMEX  
*From telepresence to the desktop: Key issues*



**Nico Hofman**  
Philips  
*The office is just a state of mind*



**Moshe Machline**  
RADVISION  
*Point-counterpoint: A new perspective on videoconferencing*



**Dr. Per Einar Weiseth**  
Statoil ASA  
*Conferencing beyond the conference room*



**Alex Eleftheriadis**  
Vidyo  
*Point-counterpoint: A new perspective on videoconferencing*



**Shai Toren**  
Emblaze-VCON  
*Point-counterpoint: A new perspective on videoconferencing*



**Marc Beattie**  
Wainhouse Research  
*The Transformation of Communication Service Providers*



**Eugene Tcipnjatov**  
Wyde Voice  
*HD isn't just for video anymore*



**Jerry Pompa**  
Compunetix  
*Unified communications and mobile conferencing services*



**Thomas Pind**  
CEO Futurecom  
*7 reasons your employees don't adopt conferencing and what you can do about it*



**Rich Jenner**  
Avaya  
*Creating a truly collaborative UC environment through inclusivity*



**Stefan Karapetkov**  
Polycom  
*How UC & TP are changing video protocols and interoperability forever*



**Michael Stiefel**  
Reliable Software  
*Cloud Computing: What Will Be The Impact*



**Andy Nilssen**  
Wainhouse Research  
*Team Workspaces 2.0: Get ready for the next level*



**Tolga Sakman**  
Tandberg  
*Indeed, this time it's different*

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## One on One: Andy Miller, EVP of Global Field Operations, Polycom



I had a chance to catch up with Andy Miller recently, the first time we've met face-to-face since he rejoined the conferencing and collaboration industry in his new role with Polycom.

**WRB:** You've been at Polycom for nine months now. What changes have you made inside the company and what have the results been? How is Polycom different now from what it was in Feb 2009?

**AM:** The big difference is in our Go-To-Market strategy, implementation, and organization. As you probably know, we've re-organized here almost totally. We now have sales, services, product marketing, and channel managers aligned in one GTM team, and this crosses voice and video.

We are focused on an end-to-end solution from a product, services, and support point of view. This is in line with our focus on Unified Collaboration and our view of the future of enterprise communications.

**WRB:** How has this change affected the field organization exactly?

**AM:** Changing a strategy together with corporate values and attitudes is difficult. You have **to** deal with a lot of angst before you get to positive change. I think that's where we are now, heading into Q2-2010. The angst is pretty much over. We had a lot of turnover in the GTM team, but the people and processes in place now reflect the new and improved Polycom. And, I'd like to point out, along the way we've hired about 100 new people for the GTM team. I think customers and channel partners, who have always been and remain our primary focus, will soon recognize that the Polycom field organization moves with a sense of urgency and engagement.

**WRB:** Is this your mantra – urgency and engagement?

**AM:** Close! The people on my team could tell you it's speed and precision. This is the attitude we are building at Polycom now. It's as if we're doing three years of work in one because of the changes in the industry and the opportunity we have. You can see that in all aspects of Polycom. We have been making significant investments to build a great company with great products and the best people.

**WRB:** What are the short-term effects we might expect to see?

**AM:** I think you will see our position as an industry leader and visionary grow. I obviously can't speak to our first-quarter results yet, but you have seen over the past several quarters that not only has Polycom met or beat Wall Street expectations, but in Q4 of 2009 we had market share gains. On the people level, I hope we can combine some humility with a sense of confidence in front of our customers and partners.

**WRB:** Speaking of partners... there's a lot of talk these days about your channel partner strategy and your focus on a small number of big players like IBM, Microsoft, Avaya, BroadSoft, Siemens, Juniper, and HP. Can you comment on that, and what is your message to the guys who are smaller, but video experts, and have carried the Polycom flag for the past decade as your gold and platinum partners?

**AM:** Thank you for asking that question. It's one I would like to provide some clarity around. The companies you named are strategic, or ecosystem, partners. In some cases,

they are resellers, and in other cases, strategic influencers. We expect them to work with our reseller partners. If you look at what's happening in the market today, you might say, for example, that HP-Microsoft-Polycom form the basis of a magic triangle. Clearly there is a lot of technology and marketing prowess there, and our other channel partners should be able to leverage this. For our traditional channel partners, we are introducing a new program called Polycom Choice. This is intended to provide them with higher margins and is designed to reward loyalty, certification, and an overall commitment by the partner to Polycom.

I would also like to point out that, at the beginning of February, we had our global partner conference, TEAM Polycom, which was attended by 700 partners – and the feedback was phenomenal. One of the partners who attended told us that he'd been to many of our partner conferences and that his expectation for this year's event was neutral, but he walked away with an immensely positive feeling about the changes at Polycom and our long-term plans. He specifically pointed out that our new management team had clearly reinvigorated the organization, from sales to marketing to product development.



**WRB:** What is the Polycom Open Collaboration Network?

**AM:** The Polycom Open Collaboration Network is our close alignment with the leading Unified Collaboration technology platform partners to deliver tightly integrated UC solutions. Our goal with the Polycom Open Collaboration Network is to provide our customers with open and interoperable collaboration solutions that give them greater flexibility and investment

protection. Our emphasis is on being open, standards-based, scalable, flexible, fully redundant, and able to work with other standards-based networks. The Polycom Open Collaboration Network consists of leaders in networking and tele-communications, including Avaya, Microsoft, IBM, HP, Siemens, BroadSoft, and Juniper.

**WRB:** What can you tell me about service providers? Where do they fit in your GTM picture?

**AM:** This is a big investment area for us. We are in the first phase of a five-phase strategy where we are working with the 10 largest service providers, including AT&T, Verizon, Telstra, Vodafone, BT, Telefonica, and Orange. We think these partners will be key elements of B2B capability for many of our customers. We went out and recruited the best service provider leader in the industry, Tony Scarfo, who came to us from Lucent/Juniper, to head up our service provider team. Their No. 1 focus will be to ensure the success of these relationships.

**WRB:** What are the five phases?

**AM:** Our strategy in 2010 is to continue our sell-through philosophy where the service-provider channel sells and fulfills services to our customers. In fact, in Q4'09, 12 percent of our business was fulfilled through service providers. The next stage is that Polycom will build and sell products and services that will enable an SP to host and manage those

services for end users. Further strategic updates will be forthcoming, and I look forward to sharing those with you when I'm invited to be interviewed again!

**WRB:** Does the Cisco-Tandberg deal keep you up at night?

**AM:** As you know, I worked at both Cisco and Tandberg, so I have a good perspective of their place as well as our own in the industry. We have tremendous momentum right now with the Polycom Open Collaboration Network and our strategic partners, and, in fact, we partner with Cisco in various areas of our business, as well. That said, I always operate with what I like to call a healthy paranoia. As such, I was very pleased to see that the European Commission approved the deal under the condition that Cisco turn over its proprietary Telepresence Interoperability Protocol to an independent industry body to ensure interoperability with Cisco's solutions and allow other vendors to participate in development and updates. At Polycom, we feel this ruling was very important because Cisco's approach could have fragmented the market and pushed customers into a locked-in solution without choice or investment protection. I applaud the DOJ and European Commission for supporting open standards in the telepresence and video solutions industry. And I am very pleased to see that Cisco will work with the rest of the industry to ensure customers are not locked in to a proprietary solution.

**WRB:** What can you tell me about the rumors we've been hearing about a possible Polycom acquisition?

**AM:** It is Polycom's policy not to comment on rumors or speculation.

## ***The Inter-Company Telepresence and Videoconferencing Conference and Working Group – April 22<sup>nd</sup>, 2010 – Reston, Virginia***



A conference and working group for organizations looking to leverage their investments in telepresence and videoconferencing to connect with partners, vendors, and customers. Learn how to cut costs, improve individual and organizational productivity, accelerate time-to-market advantage, and create a disaster recovery capability should war, terrorism, economic collapse, or a public health emergency limit your ability to do business effectively using physical travel. See the [full agenda here](#), [download the overview in PDF](#), and/or [register to attend](#). Here are some of the speakers and invited participants on April 22<sup>nd</sup>:



Howard S. Lichtman  
Human Productivity Lab  
*Inter-Company Telepresence & Visual Collaboration- The Immediate Need*



Brent Houlahan  
Unisys  
*Keeping Inter-Company Telepresence and Video Secure*



Peter Brockmann  
Brockmann & Company  
*Bridging the Culture Gap?*



Aaron Roe  
Deloitte  
*Solving Technical Issues*



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Invite Them!  
*Private Meeting Rooms Available to Begin Putting Together Your Own Inter-Company Program*

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