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Conferencing ease a threat to vendors

Outside companies putting a greater emphasis on service

By Jon Van
Tribune staff reporter

Vendors who pitch products to Joe Bulaga often never set foot in his Oak Brook office.

They come calling with their presentations via phone and the Web because that way Bulaga, corporate telecom manager for Reed Business Information US, can include colleagues working in offices hundreds of miles away.

"A lot of our teams are virtual teams, and we use Web conferencing quite a bit," Bulaga said.

"I like to include my whole team when we consider new products. That way we all see the presentation at the same time, can ask questions, and I don't have to regurgitate it later to everyone."

Bulaga's virtual conferencing is arranged by InterCall, the Chicago-based conferencing operation that has become the leading vendor in this field.

However, the rapid expansion of Internet protocol technology, especially voice over Internet protocol (VoIP), makes it easier and less expensive for managers like Bulaga to set up conferences themselves, using their desktop computers to combine voice, data and video sessions with colleagues across the world.

This poses a threat to companies such as InterCall, a unit of West Corp., and other conferencing firms, which are responding by emphasizing service over technology and finding new ways to insinuate themselves into their customers' workplaces.

The decision facing business managers is similar to a home consumer who must choose between buying a telephone answering machine or subscribing to a voice-mail answering service from the phone company. The answering machine is cheaper, but voice mail supplies more service.

"We've looked at bringing it all in-house," said Bulaga, "but what we find is we don't have the resources to do it. InterCall provides us with training and other resources we just don't have."

For years, customers with private switchboards have been able to set up multiparty calls, said Scott Etzler, InterCall chief executive, but most-



Photo for the Tribune by Warren Skalski

InterCall chief Scott Etzler expects to prosper despite the encroachment of in-house conferencing because the business customers using his service "want things easy and reliable."

ly they don't use it. Even as conferencing technology gets more user-friendly, companies still will find a supporting service role, he said.

"VoIP is clearly a threat, as is the Internet," Etzler said. "But it's also an opportunity. Business people use this service. They're not technicians. They want things easy and reliable."

Etzler said his company seeks to keep at the forefront of new technology, offering as an example a one-push feature

that customers can get with their BlackBerrys and other hand-held devices. After a one-time programming of the device, a single push of a button will get them into the conference.

A lot of what goes into a successful conference call goes beyond the technology to connect the participants, Etzler said. InterCall employees regularly work with customers in planning meetings and rehearsing them in advance.

On the other side, makers of

communications equipment are doing all they can to make setting up a Web conference with a half-dozen people almost as easy as making a phone call.

Big vendors such as Cisco Systems Inc. and Microsoft Corp. sell technology intended to make sophisticated conferencing easy, said Elliot Gold, president of TeleSpan Publishing Corp., a market research firm that tracks tele-

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conferencing.

In large enterprises, information technology managers often push to bring conferencing in-house to unify the communications system, Gold said. This has led to pricing pressures for the conferencing industry that

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have stalled revenue growth.

"There's no global revenue growth because all these players are losing big customers that are going into the enterprise," said Gold. "There's horrible pricing pressure."

As large companies acquire new communications systems, most are VoIP-based, said Rick Valencia, chairman of Profit-Line Inc., a San Diego-based telecom-expense-management firm.

"Conferencing technology is built in to new VoIP systems," said Valencia. "It makes it easier for companies to do conferencing themselves."

People who make communications equipment for businesses try to make it as easy to use as a consumer product, said Rick Snyder, president of Tandberg Americas, the U.S. arm of a Norwegian company that makes video-conferencing equipment.

"We've spent a lot of R&D on ease of use," said Snyder. "The remote looks like a cell phone. Push a green button to make a

call; a red button to hang up. We tried to make it pretty brainless. We still have a little ways to go."

Tension between new desktop technology and the outside conferencing service is nothing new, said Tim Reedy, chief executive of Schaumburg-based Conference Plus, the conferencing unit of Westell Technologies Inc.

"There was a big buzz back in the '90s about telephone/computer convergence," Reedy said. "We've seen cycles of companies taking this in-house and then outsourcing it later."

Technology is a two-edged sword for an enterprise, Reedy said, and a new system can become obsolete in a few years.

"With an outside service, you don't have to worry about the technology," he said.

Costly initial investment and the need to hire people to operate technology are stressed by conferencing firms as they strive to win customers.

One customer, LaRue Highsmith, operates a one-man busi-

ness, Dane Garvin Ltd. of Glenview, that sets up seminars aimed at medical professionals who need to update their education. Using InterCall's service, Highsmith has staged online seminars that attract up to 600 participants across the country. Some even call in from Australia, Asia and Europe.

"InterCall has an event-services team," Highsmith said. "I give them the date, and they schedule it and help me with the integration of the program content and through the whole event. I view them as a strategic partner I couldn't do without."

Event conferencing probably always will require the services of an InterCall, ConferencePlus or phone carrier, said Gold of TeleSpan.

"It just takes one event, like an analysts' call where the system drops calls or something else goes wrong, to embarrass the CEO, and that's the end of the in-house system," Gold said.

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