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The Spread of Telepresence Tech, Part 2: Ramping Up

By Andrew K. Burger

As companies begin to take a hard look at the cost of business travel, they are discovering alternatives such as videoconferencing and other collaborative tools. The businesses that provide these tools are growing ever more sophisticated in their offerings.

Business travel is a major expense, ranking third on corporate budgets behind personnel and IT. The World Travel & Tourism Council estimates U.S. business travel spending at US\$179 billion, followed by second-ranked Japan at \$64 billion.

Besides the increasing financial expense of air travel and its human wear-and-tear, businesses' concerns about its environmental costs are also driving faster and wider adoption of videoconferencing, according to executives at Eynetwork, a UK-based pioneer in Europe's videoconferencing market. "Obviously, many business trips are unavoidable but the trends we see are clear, and decision makers are more critical of travel in an era of rising costs and social environmental responsibility," said company director Lisa Honan.

To that can be added the longer-standing trend toward globalization and the requirements of managing dispersed workforces and supply chains, commented Akiba Saeedi, IBM Lotus' program director for unified communications and collaboration. "Some of the things have been happening for a while -- globalization, cutting travel costs, green initiatives; they all dovetail pretty nicely together."

Unifying Communications, Producing Less CO2

These trends have all contributed to the emergence of the unified communications framework that combines data, voice and video, "bringing things like IM (instant messaging), voice communications and Web videoconferencing together. Often now, when you think about Web conferencing, there's a screen-sharing component, a voice and a video component all being brought together within an integrated framework and service," Saeedi told the E-Commerce Times.

IBM will shortly be celebrating the 10th anniversary of Lotus Sametime, an organizational tool that brings together an IM application and Web conferencing capabilities with integrated audio, video and screen/data sharing capabilities through one application service and user interface.

Collaborative workflow and communication tools like Sametime are vital to businesses such as Intellicare, which provides hospitals nationwide with an on-demand service for hiring nurses and obtaining other specialist support services. In addition to using Sametime to access and manage a much larger talent pool than would otherwise be possible, management, nurses and doctors use it to communicate and share information and data remotely.

Some 75 percent of Intellicare's nurses work out of their homes, according to Saeedi. "So they're not paying for physical space, nurses are not driving into work from home, and they can hire the best of the best anywhere they need to. Accessing and managing a talent pool is often an issue for companies," Saeedi added.

"Videoconference use is expanding in tandem with fuel and other travel costs and as more governments introduce reward and taxation incentives to reach carbon reduction objectives," according to Eyenetwork research. "Experts calculate that 1.4 billion (metric) tons of atmospheric CO₂ per year (2 percent of global CO₂ emissions) were caused by aircraft in 1990, with predictions of 4 billion tons by 2050, or 3 percent of total UN mid-range CO₂ projections for that year."

Top Uses, Keys to Success

Recent Eyenetwork studio booking records show that conducting job interviews is clients' number one use of Web videoconferencing services. Providing court witness and expert testimony from distant locations; product development meetings between businesses; short in-house international meetings; and short in-house domestic meetings followed.

Fast-growing uses include film and theater casting calls, company introductions, product training sessions for employees and clients, and sales presentations and product launches, according to survey results Eyenetwork released publicly in late May.

"Demand and technology have worked brilliantly hand-in-hand," explained Jane Wrin, Eyenetwork's operations director. "We saw IP as the future several years ago and started to encourage new clients and suppliers to use it. This has been a part of the revolution that we are seeing taking place. Cheap connections no longer means poor connection -- it just means that communicating is now even easier than ever."

Network geographic coverage is one of the keys Wrin sees as integral to Eyenetwork's success. To provide Web videoconferencing services, the company works with BCS Global, VSpan, I-Point Media and InterCall. "We have a remarkable coverage worldwide. When we say we have 3,500 locations, we mean it. None are duplicated -- they are all individual rooms ready for hire."

Another key factor underlying the company's success is its customer relations and support staff, she continued. "We have a fantastic team who work from 6:30 a.m. to 10 p.m. to help clients.

We believe in the personal touch, and we guide many first-timers through the process. The high level of customer service is rewarded with a huge amount of repeat business and we have had several clients change companies and then take our services with them -- now that's a compliment."

Leveraging Infrastructure

New York-based PalTalk is another pioneer in the Web videoconferencing marketplace. The company was the first to incorporate video into an IM application, pointed out Matt Gore, its vice president of marketing.

Having successfully built up PalTalk in the personal/social communications end of the market, the company in January 2007 launched HearMe, a B2B Web videoconferencing service for small and medium-sized businesses (SMBs).

"We're leveraging our existing infrastructure," Gore explained, "so we can offer a low cost service -- \$29 per month for a five-person HearMe room with unlimited usage. You get the video -- H.264 video codec -- desktop and document sharing, built-in VoIP (Voice over Internet Protocol) so you don't incur the cost of an outside phone line."

Medical and healthcare also showed as promising applications of Web videoconferencing in a recent survey of HearMe users -- 41.4 percent of respondents said they would feel comfortable seeing their doctor through a video conference for a routine check-up.

Financial services businesses are also leading-edge adopters, according to IBM Lotus's Saeedi and Eyenetwork's Wrin. IBM Lotus counts Celina Insurance as an innovative user of Sametime, while Eyenetwork notes that Credit Suisse Group adopted Web and videoconferencing technology in 2005 after estimating that business flights accounted for one-third of its carbon footprint.

Attracting Leading-Edge Adopters

"Another interesting one is the federal government's Telework program," Saeedi added. "If there is an emergency, if people cannot get to their usual physical location, federal agencies are required to have to have at least 20 to 30 percent of their staff available to carry on the mission of the agency. They have to have access to each other to see, share and update data and resources."

According to HearMe's customer survey, other highly ranked uses included: teaching and learning (34.4 percent) and international communications (22.2 percent). Notably, 53 percent of respondents said they closed a sale through video conferencing despite having never met the buyer in person. Forty percent said they would skip showering prior to participating in a videoconferenced meeting.

Film studios have shown interest in PalTalk. It's been used as a market research tool by Sony (NYSE: SNE) and Warner Bros. , and to conduct a live press-audience screening for "The Mist," a film based on a Stephen King short story. "We did a press junket at a hotel in New York City," Gore recounted. "The press was there, the reporters were asking questions and then we switched

to a giant plasma TV and on that was PalTalk. They all could see the PalTalk chat room with some 5,000 people in it ... streaming the press conference to them. Then Stephen King and director Frank Darabont started taking questions from the PalTalk audience."

Looking ahead, PalTalk is working with Salesforce.com (NYSE: CRM) to incorporate its videoconferencing technology within the latter's on-demand CRM platform. "We're probably a month or so away from going live with an integrated product," Gore commented.

Sametime Inside IBM

Besides yielding benefits at clients such as Intellicare and Celina Insurance, Sametime is proving its worth within IBM. "We use it ourselves every day. We run 20,000 to 30,000 meetings a month with teams around the world; 5 million IMs a day cross our network," Saeedi elaborated. "We use it more and more as an alternative communications tool."

IBM saves \$17 million to \$18 million per year alone using Sametime's text/voice/video instant messaging instead of phone calls. "For instance, when I travel in Europe, I run Sametime [from my PC] to make phone calls through to the PBX (private branch exchange) back here in the U.S. I see my contact list, just like IM, and can do a lot of things -- voice, video, screen sharing, so it's an overall collaboration environment that's rooted around telepresence and the growing up of IM applications to include a Web conferencing component that enables you to have a virtual meeting."

Added to that is another \$98 million per year saved via reduced travel expenses -- between \$1,000 and \$1,500 per employee per trip, Saeedi explained.

As significant as the cost savings and reduced fossil fuel consumption associated with employing videoconferencing, virtual presence and collaboration technology are, there are additional benefits, she pointed out. Greater employee retention is one big one. "It's a matter of striking a balance between work and family/lifestyle. Something like 40 percent of IBM's workforce works remotely, so achieving that balance is important to them."

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