

Video Communications a Requirement? Now More than Ever.

The videoconferencing industry is growing nicely – approximately 30% year over year and will reach a \$1B market for related products in 2007-2008. But the sharpest growth is expected to occur over the next decade.

There are several reasons that the time is now. Now more than ever macro-economic drivers are forcing organizations to rethink how they communicate. At the same time, there are ongoing technical advancements that will allow for a completely new and improved video communications experience that truly enables people to meet as if in the same place. This brief report discusses a few key drivers and highlights how various industries and people around the globe are gaining significant business and personal value from video communications.

WHY VIDEO COMMUNICATIONS?

The most compelling reason is the fundamental human need for people to communicate face-to-face. Other types of collaboration – over the phone, on email or IM – can't replicate what happens in a true face-to-face interaction as over 60% of communication is proven to be non-verbal¹. People must combine face-to-face meetings with other communications tools to understand each other fully and keep projects and decisions moving forward.

The next time you meet on an audio conference call, think about what you may be missing. If you present an idea to a team or a manager at the other end of the line, are you sure that they agreed with your concept? Do you know if they are truly listening or might they be multi-tasking instead? Is it even possible that someone else is there but you don't know it?

Recently a marketing team was presenting a new set of programs to a sales team. Some of the people were on audio while some were on video. Without one word being spoken, it was clear from the participants on the videoconference which ideas were not palatable to the sales team. A shrug or look in the other direction can speak volumes about the responses of people in a meeting. As they say, "a picture is worth a thousand words".

The point is in today's fast-paced, just-in-time decision-making environment there are occasions when meeting in person is not efficient or even possible, and yet the risk of not meeting face-to-face is too great.

MACRO-ECONOMIC DRIVERS FOR VIDEO COMMUNICATIONS

Globally, regionally and locally distributed organizations

Over 91% of people no longer work at headquarters offices². The world has become flat and people are more distributed than ever. People are working in home offices, far-reaching locations or are simply across a large campus or city where it is not conducive to easily walk down the hall to meet in person. Eastern Europe, India and Asia are sharing and competing for innovation with the U.S. and Western Europe. As a result, communication is one of the key drivers to remain competitive and create a spirit of collaboration. And with new culturally diverse teams, people need to work even harder at doing so.

Expensive, inconvenient travel

It goes without saying that travel has become almost unbearably inconvenient. Over the next decade the projections are for tremendous growth of international air travel. Anyone who travels knows that flight delays, tight seating, limited food options and increased security requirements have made the experience difficult and taxing. There is not much relief in sight and although travel will continue to be a required means of human interaction for certain occasions, people are considering alternatives whenever possible. Video communications is an ideal alternative, and travel savings alone can easily translate into a solid return on investment.

Competition

Competition is fundamental across every business sector. The need for organizations to excel at their core competencies and also increase efficiencies is the mainstay of being competitive. Many organizations that are using video communications to make better, timely decisions and track projects more closely are able to stay on top of their market. The ability to reduce risk from a poor decision or lack of communication is improved with regular face-to-face interactions, which can effectively be achieved through video communications. Agile, innovative organizations are using video to connect subject matter experts from anywhere in the world to meet on a moment's notice.

Environmental

The way we live today and travel to meet face-to-face is not sustainable. Throughout the world, leaders, organizations and individuals are carefully considering the impact of carbon emissions on the environment. Video communications provides an alternative to airline and automobile travel and can be part of an environmental carbon offset or reduction initiative. Today's IT manager is working to track how many miles are traveled by the organization and how this can be reduced or offset by other collaboration options.

Work-life balance

Travel, jet lag, missing a child's recital or sporting event, continual catch-up from week to week travel – these are often issues facing frequent travelers. Without compromising on quality and communication, there is a benefit to increasing time at home and improving worker morale. Team connections and relationships can flourish with consistent video communications and reduced travel.

Innovation and connections

Education and healthcare organizations have long been creative users of video communications to extend access to subject matter experts. The ability to connect educators, students, researchers and the private sector in an interactive face-to-face encounter opens a wide range of possibilities. These applications demand the utmost quality and technology transparency to truly get the most out of the experience, for example: telemedicine consultations, continuing health education, real-time classes, music and dance performances, and meetings.

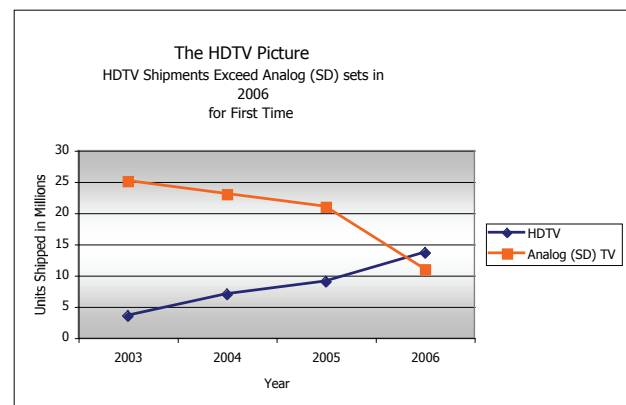
TECHNICAL DRIVERS FOR A SEAMLESS, NEW VIDEO COMMUNICATION EXPERIENCE

Ubiquitous, broadband IP networks

Broadband IP networks have arrived. The promise of convergence of voice, video and data is available to organizations large and small and even to the home. Video has always been known as a more data-intensive application but now with the proliferation of broadband IP communication and the public Internet there is the capacity to support high quality video communications. With the use of the public Internet, there is no incremental cost for global video connections which encourages regular video usage. A properly planned network can make certain that the infrastructure can handle high quality video communications and ensure solid reliability.

Moving to high definition (HD)

Every form of video from TVs, content, digital camcorders and more are moving to HD. When entering any consumer electronics store it is clear that HDTV has arrived and that standard definition is going to be obsolete in the not too distant future. Over 50 million homes worldwide will have HD televisions by 2009³. From watching a sporting event in HD to participating in an interactive HD videoconference, the experience with HD provides stunning images and a new sense of realism – giving the participant an almost three-dimensional perspective. Since the cost of HD displays is coming down rapidly, most organizations and consumers are planning the move to HD. And with regard to video communications, the price/performance of HD is making standard definition investments a poor choice.



Processing power

Increased processing power for the engines of a video communications system provides a wide variety of benefits for end users. From a quality perspective, much higher resolution and HD videoconferences can take place on low bandwidth. This can all be done with much smaller form factor systems and at a lower or similar cost to standard definition systems. Additionally, the quality can be maintained to support many locations (i.e. multipoint) at the same time in high quality or HD. Not all legacy systems can support the multimedia functions now available in the new generation systems but thanks to Moore's Law (processing power doubles every 18-months) and new architectures for videoconferencing – a new level of experience is available to users enabling some exciting new applications.

Simplicity: intelligent software and interfaces

As much as quality has improved for resolution and motion handling, the experience for users to easily connect without any technical background, training or IT support is better than ever. The new generation of video communications has the advantage of intelligent software that makes connecting just as easy as placing a phone call. No longer does a user need to know anything but the number and location that they are trying to connect. For some applications, video communications is controlled remotely without any hands on. The objective is to enable people to walk in, connect, and get down to business with very high reliability and without any technical issues.

WHO IS VIDEO COMMUNICATIONS FOR?

Video communications is for individuals and large, midsize and small organizations. It's less about size and more about the need and requirement to communicate effectively. If people need to negotiate and present face-to-face, share presentations, share three-dimensional objects such as a product packages or circuit boards, draw a concept on a white board and get feedback or just collaborate as a team on any project, there is a need and application for video communications.

Executives, managers, knowledge workers, professors, medical practitioners, researchers, students, public sector workers, technicians and many other people can benefit from the human aspects of video communications.

The ROI (return on investment) for video communications is becoming a "back of the napkin" analysis as the cost of systems and bandwidth have come down rapidly. The hard cost savings and soft cost savings can add up rapidly with a higher usage due to a much improved overall experience.

And video can be used in many different environments from the executive board room, regular conference room, office, team war room, classroom, the clinic and beyond.



WHAT'S THE NEXT STEP?

Determine areas where your organization could benefit from better communication.

- What would be the business justification? Reduced travel, better decision making, improved time to market, more productive meetings, reduce carbon emissions impact, better access to subject matter experts for projects, improved employee morale and work-life balance, others.
- Where would you need video communications – locations? offices?
- Who is it for?
- What alternatives are available?
- Most importantly - evaluate and get demonstrations of new generation High Definition products and solutions that will provide investment protection and excellent experience.

**Ready for a demo that will change the way you view video communications?
Call LifeSize: +1 512.623.4227 or 1.877.LIFESIZE or visit: www.lifesize.com/landing/bookademo.**

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