

Business-Grade Video Conferencing for SMBs: Enhance Your Employees' Productivity Today



A Frost & Sullivan White Paper

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INTRODUCTION

Small and mid-size organizations are encountering a transition in their businesses, and they must react to the new way of working to stay competitive in an increasingly global and virtual marketplace. More and more, employees are working from remote sites and home offices, while their customers and business partners are located all over the world. Even as companies strive to keep costs low and productivity high, they are faced with supporting a growing contingent of dispersed workers and customers, in the most effective way possible.

On the one hand, this is a boon; supporting a virtual workforce lets small and mid-size organizations compete with larger companies for the best talent, regardless of where it's located; save money on facilities and related costs; and maintain a "green" footprint thanks to reduced commuting times and energy consumption. Working with dispersed partners and suppliers lets companies negotiate the best prices, regardless of the provider's location. And signing clients around the world grows the customer base and builds the brand.

But the changing business landscape also poses significant challenges for small and mid-size organizations. Primary among them is keeping employees connected to one another and the people they work with and support, without incurring additional travel costs or time away from the job. And they don't just need to communicate—in this increasingly flat marketplace, they need to collaborate. That means sharing ideas across lines of business and areas of expertise, so that everyone can get the information they need when they need it, as well as insight into best practices and strategic planning.

Video conferencing, which allows participants to see and interact with each other and share content as though they were literally in the same room, enables advanced communications and collaboration across vertical industries and job roles. And although many large enterprises have already adopted the technology, savvy SMB organizations are realizing that video conferencing can help them compete and win within their own marketplace—and against bigger companies that might have more money to spend on travel, and more people to meet with partners and customers around the world.

Still, to get the most value from the technology, SMBs must pay attention to the video conferencing systems they deploy. Relying on free services like Skype may seem appealing, but issues around reliability, quality, management, security and control quickly make these applications less than desirable across the organization. On the other hand, today's business-grade video conferencing systems are both cost-effective and easy to use, which means everyone in the organization can take advantage of the technology. That helps employees stay more productive, without draining budget or IT resources, and while maintaining corporate best practices around the implementation and use of the technology.

This paper will detail the benefits of video conferencing for small and mid-size organizations; highlight use cases for specific industries and personnel; discuss the relative merits of premises-based systems and hosted and managed services; and identify the key elements to look for in a business-grade video conferencing provider.

THE VALUE OF VIDEO CONFERENCING FOR SMBs

Small and mid-size organizations face different business challenges than their large-enterprise counterparts, but video conferencing can help them and their employees be as productive, effective and competitive as possible.

Video conferencing offers many benefits. Since it allows users to see one another—and read each other’s facial expressions and body language—video conferencing lets them interact as though they were in the same room. This enables the remote interaction to be much more productive than a simple phone call. And thanks to recent improvements in business-grade video conferencing’s quality and ease-of-use, companies now have a wide array of options for endpoints, management and services, making it easy to support end-users at their desktops, in conference rooms, on the road and even for immersive telepresence—regardless of where they are or what kind of network they’re using.

Communicate and Collaborate With a Growing Ecosystem

To compete in today’s global business environment, small and mid-size organizations must be able to support a growing number of remote and virtual workers, as well as partners, customers and suppliers who may be located across the region or even the globe. By deploying business-grade video conferencing across the organization, SMBs can support their own end-users and compete with much larger organizations for talent (because now they can hire people for their skills, rather than their physical proximity to the office) and opportunities (because video conferencing lets SMBs interact with customers and partners on a more personal and immediate basis).

SMB Checklist: How to Know When You’re Ready for Business-Grade Video Conferencing

- Your employees, partners and customers are located in more than one place.
- You want to support and drive better collaboration in your organization.
- You need to cut travel costs and other expenses.
- You want to improve meeting usefulness and employee productivity.
- You’re considering UC as part of a communications update.
- You’re moving into a new location.
- Your employees are using consumer-grade services on their own.

Return on Investment

These days, IT cannot implement any new technology without a clear return on investment. Video conferencing offers significant ROI, often paying for itself in a matter of months thanks to the money companies save on travel and related expenses. For every person who doesn’t have to drive or fly to attend a one- or two-hour meeting, companies can save hundreds or even thousands of dollars. Multiply that by multiple attendees, and the savings quickly add up. Furthermore, business-grade video systems allow companies to maximize performance and manage network resources, making the technology even more valuable for end-users and IT staff alike.

Forward-thinking companies also factor in the softer benefits of video conferencing. Not having to spend hours or days travelling to and from meetings makes employees more productive—they can use that time on actual work. And video conferencing itself makes meetings more effective; if companies start to require its use, they can transform audio and Web conferences and make them much more beneficial for all attendees. Finally, video conferencing helps strengthen dispersed teams; by being able to meet face to face, remote employees are more easily integrated into the group.

Verdasys, Inc., helps large corporations and government agencies protect information. The company is growing, and that has led to challenges: “The key is to find ways to serve clients without growing budgets or increasing staff,” says Seth Birnbaum, co-founder and CEO of Verdasys, which has imposed travel reductions of 25 to 35 percent. “Yet, how do we scale our footprint while cutting travel and without adding more people?” The answer was video conferencing. In its first year, Birnbaum estimates Verdasys conducted roughly 100 client meetings over video. “We estimate we’re saving \$2,000 to \$3,000 in travel costs alone with every call,” he says. “That’s easily \$250,000 a year.”

VIDEO CONFERENCING USE CASES

As we have seen, there are a number of ways in which video conferencing can benefit a small or mid-size organization. Here, we identify a few, according to job role and industry.

Job Role Benefits

- **Human Resources**—HR personnel are tasked with communicating with employees, executives and recruits on a regular basis, but they usually operate out of a main office location that is often removed from their core constituents. As a cost center, they also don’t usually get much of a travel budget. By supporting remote interviewing, remote training, organizational alignment activities, and strategic executive communications, video conferencing can make the HR department much more effective even while keeping costs down. And video conferencing can help transform HR from an administrative function to a strategic role, by focusing on employee retention, leadership development and diversity management.
- **Product Development and Manufacturing**—Most organizations rely on multiple parties when it comes to engineering, developing and manufacturing products, and those contributors are often located around the world. By using video conferencing to support visual collaboration among development teams and enable visual inspection and quality assurance with remote or off-shore manufacturers, SMBs can shrink development and production times and get to market faster, making them more competitive and able to pull in revenue sooner. That has a clear, positive impact on the bottom line.

- **Sales**—Salespeople want to do one thing and one thing only: close deals. Video conferencing lets them collaborate with managers and line-of-business teams to get quotes and contracts approved more quickly, and thereby close more deals more often. Video conferencing also lets the sales team put prospects and clients in front of company owners or executives, easily and cost-effectively, which can help them land new business.
- **Customer Support**—Nothing is more important to small and mid-size companies than customer service, which is often a competitive differentiator. But most SMBs have small contact centers, if they have one at all, and it can be challenging to interact with customers on a personal level. Video conferencing lets SMBs offer an immediate in-person response to key clients; in the process, they can deliver support more quickly and effectively, deepen customer relationships, and become a strategic partner, not just a vendor or supplier, for their leading clients.

The Colt Group specializes in the development, production, installation and maintenance of energy-saving climate control, fire safety, day lighting and solar shading systems. As part of a large installation at a customer's Singapore plant, Colt Group personnel flew between London and Singapore for 12 months, at a cost of more than 1 million Euros. Those numbers motivated the company to deploy video conferencing across the organization. Initially, Colt used its Polycom HDX 4002 and Polycom HDX 7002 solutions for one-on-one discussions and meetings with field staff, customers and suppliers. But as the video deployments extended worldwide, senior management and the board of directors started using the technology for strategic planning and deep collaboration—and has saved the organization half a million Euros in the first seven months of use.

Industry Use Cases

- **Professional Services**—Professional services personnel—including lawyers, accountants, consultants, architects and real estate agents—often work with far-flung clients who require collaborative processes. With video conferencing, professional services staff can meet with clients as though they were in the same room and collaborate on personal and intimate matters face to face—without the need for expensive and time-consuming travel.
- **Healthcare**—As healthcare providers look for better, more cost-effective ways to deliver care to underserved populations, video conferencing is having an enormous impact. The technology lets physicians and other caregivers collaborate on patient care from far-flung locations, sharing scans and test results and even conducting remote exams, and getting access to specialists they could not otherwise reach. Practitioners are also using video conferencing to attend and deliver training on an ongoing basis.

- **Manufacturing**—As more companies outsource their manufacturing efforts, they must communicate and collaborate with suppliers, designers and producers around the globe, quickly and cost-effectively. Being able to clearly see plans, materials and finished products—as well as perform inspections and quality assurance—without travel speeds the manufacturing process, sometimes by weeks or months.

MacRoberts LLP, an international law firm, is using Polycom's HDX room telepresence solution to reduce travel costs and time while delivering a high level of training to HR personnel and company directors requiring regular updating on changes in corporate law and health and safety legislation. MacRoberts lawyers have improved the quality and immediacy of their meetings, as well as their quality of life, by eliminating the need to fly around the country for meetings. In the future, the firm plans to use the Polycom HDX room telepresence solution to deliver added-value services to its own clients by offering the equipment for their own collaboration needs.

WEIGHING THE BENEFITS OF DIFFERENT DEPLOYMENT OPTIONS

As companies deploy more advanced communications applications, they must decide on the deployment model that works best for them. Today's video conferencing solutions are available in several different deployment options; this benefits SMBs because it allows them to pick a solution that best meets their unique requirements.

In a recent survey of 200 C-level executives, Frost & Sullivan research shows that 62 percent use managed services and 44 percent use hosted services for communications; 29 percent use both. Furthermore, more than two-thirds of respondents said they have increased their use of hosted or managed services in the past 12 months, and as many as 75 percent expect to do so in the coming year.

For SMBs in particular, hosted and/or managed services can offer significant advantages, including lower up-front costs; the ability to quickly add or remove users as needed; the knowledge that users are always on the most up-to-date version of the software; better redundancy and resiliency; and the opportunity to use IT staff for more strategic initiatives.

Still, many companies are deploying some, if not all, of their communications in house. They see significant benefit in having control over their systems, being able to customize their endpoints and infrastructure, and support their security requirements. As a result, we expect most organizations to use a so-called "hybrid" approach, in which some of their communications tools are deployed on premises and others are offered in the cloud, and still others are deployed in house but managed by a third-party vendor. Supporting such a scenario requires a business-grade partner that can integrate with multiple endpoints and support a mix of premises-based and hosted solutions. Furthermore, only a partner with experience working with SMBs can offer the level of managed services that will support a reliable video conferencing deployment.

Figure 1: In-House vs. Services—Issues to Consider

Capability In-house resources in IT, event/meeting management	Volume Frequency, scale and type of conferencing
Security Need for security, control	Cost Investment the enterprise is willing to make

Source: Frost & Sullivan

WHAT SMBS SHOULD LOOK FOR IN A VIDEO CONFERENCEING PROVIDER

Small and mid-size organizations don't have the time or money to spend on complex, costly technology implementations, and video conferencing is no different. Endpoints and infrastructure should be easy to deploy, support and use, and they should be priced so that a SMB organization can demonstrate clear and acceptable ROI. They should also integrate as needed with other communications solutions to help future-proof the investment. And SMBs should look for a provider with deep experience working with and supporting smaller organizations, and which offers solutions designed specifically for that market. That's especially true for companies that don't have an IT department, or whose IT staff is small and already overleveraged.

Key Elements to Look for in a Video Conferencing Solution:

- Business grade (professional quality, reliability and security)
- Simple and easy to use
- Options for different usage environments (desks, conference rooms, on the road)
- Scalable for future growth
- Delivery options (on-site, hosted or cloud-based, managed, hybrid)
- Efficient use and management of bandwidth
- Support services (planning, installation and management)
- Based on open industry standards to ensure interoperability and investment protection

SMBs must pay attention to the video conferencing systems they deploy, but they also should pick an appropriate partner to ensure their ongoing communications needs are met. And they should deploy and pay for the technology in a way that makes sense for their business. For some, this will mean contracting for managed and/or hosted services; others may want to deploy technology on their premises, but lease it in a way that lets them pay over time and upgrade as needed. (Indeed, leasing can be an ideal way for SMBs to acquire video conferencing, since they can pay for it over time and ensure the investment does not become obsolete.)

Defining Unified Communications

Frost & Sullivan defines a unified communications application as an integrated set of voice, data and video communications, all of which leverage PC- and telephony-based presence information. UC applications are meant to simplify communications for the end-user by making it easy to “click to communicate.”

Finally, as they select a video conferencing system, SMBs should consider their long-term plans for deploying and using unified communications, and make sure that their video conferencing systems are standards-based and will integrate with those UC solutions.

CONCLUSION

Business-grade video conferencing systems designed to meet the unique needs of SMBs are finally available. Companies that have adopted the technology are delivering better customer service, shrinking product development times, improving and speeding decision-making, supporting virtual teams across business and geographic boundaries, and recognizing significant increases in employee productivity.

When selecting a video conferencing solution, SMB organizations should invest in business-grade systems to ensure the technology is secure, manageable and supports their broader business goals now and in the future. (A great first step is to trial a system in their own environment.) They should consider the range of delivery models available to them, including hosted and managed services. And they should choose a trusted, experienced technology partner that can help them benchmark their existing infrastructure and business needs, and then implement the right technology mix to maximize their investment, now and into the future.

In short, SMBs should take the opportunity to learn more about the benefits of video conferencing solutions designed specifically for their market; identify and evaluate solutions offered by local resellers and service providers; and request an on-site trial to experience the value of video conferencing first hand.

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