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50 Years of Growth, Innovation and Leadership

Videoconferencing-as-a-Service: Making Video Simple and Affordable

A Frost & Sullivan
White Paper

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INTRODUCTION

Amid the crosswinds of constantly evolving competitive and economic challenges, businesses are adopting advanced communication technologies to achieve faster and better results at lower costs. Deploying video communications to foster innovative collaboration among employees, customers and business partners has become a key imperative for organizations. As a result, the user demand for videoconferencing has been growing by leaps and bounds, primarily driven by the need to cut travel costs and enhance the communications experience. Businesses that are using videoconferencing today are realizing multiple benefits, which include ad-hoc communications to speed decision making and enhancements to the quality of interactions to achieve more efficient business collaboration.

While the benefits of videoconferencing are well established, it has traditionally been a complex technology to use and manage, and expensive to deploy and maintain. Furthermore, the increased diversity of video endpoints and networks, and the demand for frequent and ad-hoc video communications—with both internal and external value chains—are posing several implementation challenges. As a result, a growing number of organizations are seeking reliable and cost-effective videoconferencing services that can shift the burden of application deployment and management from scarce internal IT resources to an expert third-party provider.

The advent of cloud-based videoconferencing services is redefining how videoconferencing is being deployed and used today and lays the foundation for more rapid adoption by businesses of all sizes.

VIDEOCONFERENCING—OPPORTUNITIES AND CHALLENGES

Videoconferencing represents a high-growth market that is being fueled by the growing business need to cut costs and improve the communications experience. Video has become a key business enabler and is rapidly shifting from being a “nice to have” to a “must have” technology. There is growing demand for video to be integrated in all communication modes—all the way from desktop collaboration to conference rooms and mobile devices.

Standing at \$2.5 billion in revenues in 2010, the total videoconferencing systems and services market is forecast to more than double to \$5.5 billion by 2015, at a five-year compound annual growth rate (CAGR) of 17.5%.¹ The videoconferencing services market represents the fastest growing segment, growing at a CAGR of 19% (2010–2015).²

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Deploying video communications to foster innovative collaboration among employees, customers and business partners has become a key imperative for organizations.

While the need for videoconferencing is growing exponentially, the complexities associated with implementing a videoconferencing solution on premises put tremendous strain on the end user organization, both in terms of building new skill sets within internal IT resources as well as in the upfront CAPEX investment required to build an end-to-end videoconferencing network that includes videoconferencing bridges, firewall traversal solutions, gateways, management and scheduling software and other components.

As feature sets and use cases have advanced, videoconferencing systems have become more complex in recent years. End users are demanding video on multiple form factors, including traditional conference rooms, immersive telepresence, desktops, remote sites, mobile devices and beyond. Additionally, communication over video is taking place both in real time as well as for “on-demand” recording and viewing.

The traditional challenges surrounding videoconferencing deployments have led to low utilization rates stemming from:

- Difficulties in launching calls and connecting to meetings
- Deployment and management complexities
- High costs and extensive IT involvement
- Limited capabilities for intercompany videoconferencing
- Lack of comprehensive support and centralized services

Making video reliable, scalable and simple for end users is a critical challenge that IT managers and administrators must overcome to ensure adoption and utilization. With the option of moving the videoconferencing infrastructure into the cloud, the ongoing operational concerns associated with videoconferencing can be shifted to a service provider.

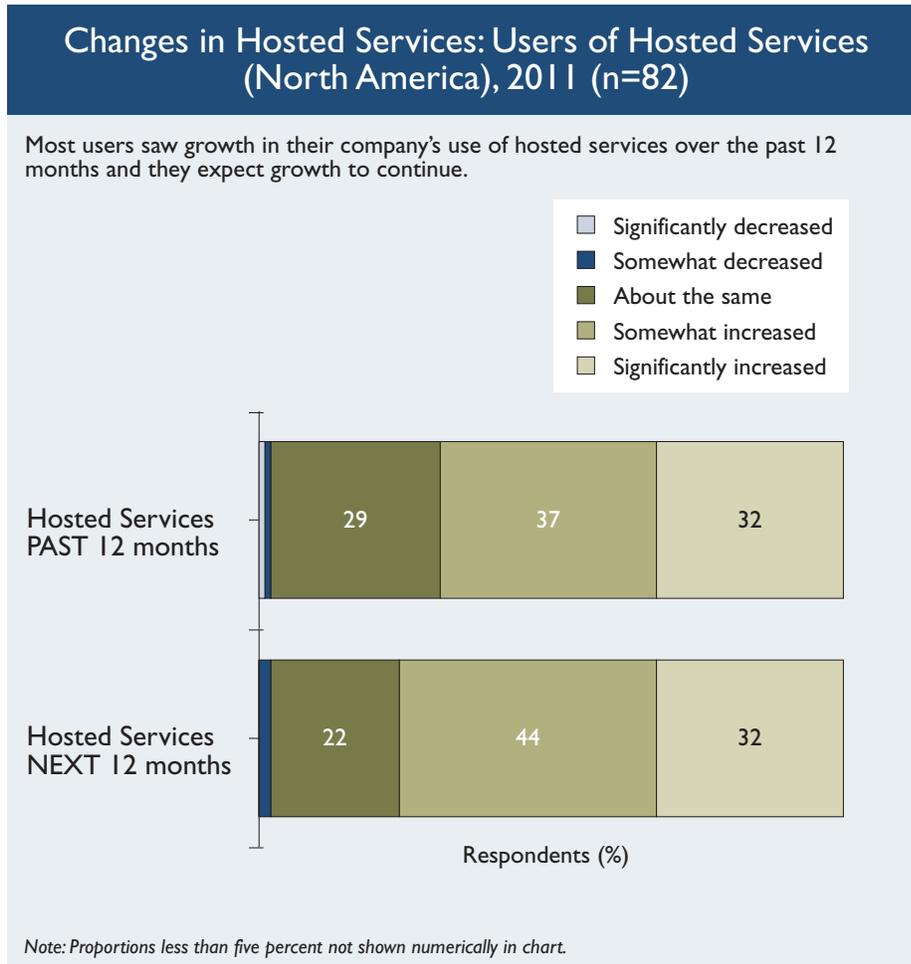
REDEFINING VIDEOCONFERENCING THROUGH CLOUD-BASED SERVICES

The viral growth of videoconferencing is having a profound impact on the communications infrastructure. IT departments are hesitant to roll out videoconferencing deployments on a large scale, fearful of the impact it can have on the organization’s network and internal resources.

The value proposition for videoconferencing-as-a-service continues to gain strength. The concept is simple and compelling—rather than buy expensive on-premises servers and install the software on individual machines, a business can subscribe to videoconferencing infrastructure-as-a-service, which is hosted by an expert third-party provider, giving IT the control and flexibility to scale video without the burden of in-house management and maintenance.

Making videoconferencing as simple and predictable as a phone call is key to its rapid adoption as a routinely used business communication tool. Enhancing the ease of use as well as the predictability of the video experience will increase overall usage levels.

Chart 1: Growing Use of Hosted Services



Source: Frost & Sullivan analysis

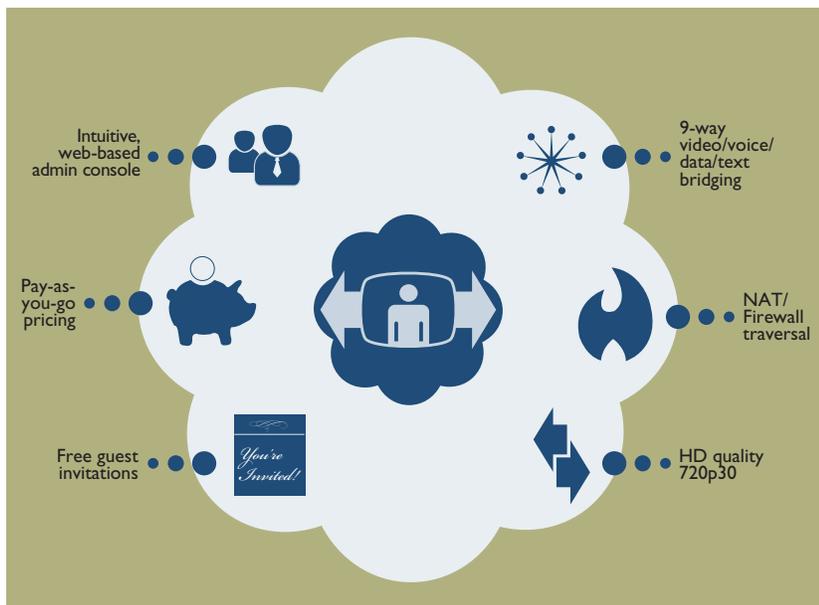
In a recent Frost & Sullivan survey of C-level executives, 69% of users responded that they have increased the use of hosted services for enterprise communications within the last 12 months. Seventy-six percent of the respondents indicated that they plan to increase their investments in hosted services over the next 12 months.³

LIFESIZE CONNECTIONS

LifeSize Connections is a cloud-based videoconferencing service providing business-class communications for LifeSize video systems in conference rooms and desktop computers. Offered as a hosted infrastructure-as-a-service, including multiway video conferencing bridges, firewall traversal, directory services, presence and bandwidth management, LifeSize Connections provides an affordable and simple videoconferencing option for businesses that choose not to implement end-to-end videoconferencing on premises and need a fast, simple, affordable option with little or no IT burden.

LifeSize Connections provides affordable videoconferencing services to businesses of any size. Furthermore, external participants can join video meetings for no additional cost, which expands the use cases of the solution, especially intercompany videoconferencing.

Chart 2: LifeSize Connections: Videoconferencing in the Cloud



LifeSize Connections offers an attractive alternative to IT buyers looking for a turnkey solution for scalable HD videoconferencing that can be implemented across sites, regions and firewalls with low cost and low risk. Organizations can instantly take advantage of the service without investing in the software/hardware, licensing and upgrade costs associated with rolling out a complete videoconferencing infrastructure. The LifeSize Connections seat-based pricing model offers the flexibility to scale up as videoconferencing needs grow.

Chart 3: LifeSize Connections: Key Benefits

LifeSize® Connections™		
Key Components	Key Capabilities	Key Features
<ul style="list-style-type: none"> • LifeSize endpoints* • PC/Mac desktop clients • Administrator console 	<ul style="list-style-type: none"> • Bridging, directory services, administration and firewall traversal; all in the cloud 	<ul style="list-style-type: none"> • 720p30 9-way calling • Free Guest invite capabilities; call anyone** • Easy web-based administration • Concurrent HD video and data-sharing • Secure encrypted media and signaling
<p>*Interoperability with third-party standards-based videoconferencing devices as well as support for tablets and smart phones (IOS,Android) will be available in 2012.</p> <p>**Limit two per call</p>		

CONCLUSION

Increasingly virtual workplaces and highly distributed organizations that need to communicate effectively regardless of geographical boundaries are reaping the benefits of rolling out videoconferencing services to their users. On-premises infrastructure continues to be the deployment model of choice for organizations that have significant IT resources and expertise. However, a time of rapid industry shift is approaching in which video communications capabilities are increasingly moving into the cloud.

Businesses of all sizes with distributed environments such as branch, remote and regional offices; telecommuters; home offices; and distributed teams are creating pent-up demand for enterprise-grade, secure videoconferencing services in the cloud and pushing it to truly become the next big thing in enterprise communications.

The rapid deployment, lower TCO, outsourcing of complexity and a predictable subscription payment model are compelling reasons for organizations to consider videoconferencing-as-a-service.

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