Videoconferencing: Increasing Productivity, while Reducing Costs

Many factors are fueling the increasingly high demand for videoconferencing, not the least of which are reducing costs and increasing workforce productivity. Improvements in the past year have greatly improved the videoconferencing offerings and making it a viable tool within today’s enterprise. This expert E-Guide, a series of published Networking Media articles—takes a look at the factors driving videoconferencing and 10 ways to determine if videoconferencing can help your company reduce costs, while increasing productivity.

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Table of Contents:

10 ways to determine if videoconferencing can up your productivity and reduce your costs

Four factors driving videoconferencing

Resources from Polycom
10 ways to determine if videoconferencing can up your productivity and reduce your costs

Video conferencing. If you haven’t heard the words lately, just wait. Video conferencing is becoming the most in-demand application of the new information age. This upsurge is prompted by three factors:

- Globalization and the need for “virtual” workgroups made up of experts from many different locations require a technology that allows people to meet face-to-face with high productivity on a moment’s notice. Only video conferencing meets this demand.

- Changes in video conferencing technology, particularly high definition and what’s being called video presence, are giving video conferences the same sense of connection and collaboration as a live meeting. In fact, they’re better than live, because video conferencing allows data sharing that is not possible in live meetings, plus the recording of video conferences provides necessary records for security and regulatory requirements. In addition, new video conferencing technology has excellent security plus advanced management and scheduling capabilities. Also, the cost of video conferencing end points has decreased ten fold since 1998. Travel costs have escalated.

- The IP (Internet Protocol) revolution has lead to “IP everywhere” making the transmission of video conferences far less expensive, much easier to use, more reliable and significantly more scalable to meet a company’s growing requirements.

The bottom line is that every company, big or small, must evaluate video conferencing as a possible application. Here’s a checklist to help determine if video conferencing is right for your company.

1. **Would it enhance your productivity if workers at separate locations could meet as workgroups?**

   Enhanced productivity and reduced time-to-market are the main reasons companies give for installing video conferencing. Being able to meet spontaneously face-to-face not only allows people at different locations to get more done faster, it also improves camaraderie, communication and employee morale.

2. **Would you benefit from faster decisions?**

   Arriving at quick decisions based only on audio or e-mail communications is often difficult. Many people don’t communicate well verbally or in writing. They always feel more comfortable seeing each other face-to-face—judging expressions, body language and millions of tiny non-verbal cues. The new video conferencing technology has such excellent definition, picture and sound quality, plus data-sharing capability that people feel like they’ve gotten the whole story.

3. **Does your whole company rely on the skill and contribution of individual experts at disparate locations?**

   Rather than trying to replicate the expertise of certain personnel at every company location, video conferencing allows those experts to be leveraged optimally. Meeting face-to-face on an as-needed basis lets those experts
share their knowledge in an enriched communications environment and enhances the trust and enthusiasm of those calling on that expertise.

4. Would you like to communicate with the whole company more often?

Branch and satellite offices can easily feel disconnected from headquarters and upper management due to lack of communications. Video conferencing allows whole companies to come together often, even spontaneously, to solve problems, share successes and celebrate, increasing company identity.

5. Could your hiring process use some streamlining?

If your company hires people from multiple locations, video conferencing can simplify the interview process. More and more companies use video conferencing right through the final interview, allowing top candidates to be processed and hired more quickly—as well as impressing the candidate with the company’s leading-edge technology.

6. Could you attract or keep better employees if you could reduce their time away from home?

While reducing travel costs is one of the first things a company thinks of when considering video conferencing (and it is a significant factor), the real cost of travel is better measured in lost productivity from employees out of their offices and the high cost in employee morale from personnel spending days and weeks away from their homes and families. Video conferencing can significantly reduce time away for even the most travel-intensive personnel.

7. Do your customers or suppliers have video conferencing?

New video conferencing software is based on standards allowing easy integration with other audio visual systems as well as scheduling protocols. Integrating video conferencing with customers and suppliers can not only improve communications, but also enhance a sense of shared values, experiences and mutual dependence that are good for business.

8. Do you have compliance and training requirements?

If you’re in a field with stringent compliance requirements, then video conferencing can help encode data necessary for the FDA, Sarbanes-Oxley and others. Additionally, important training materials can be made available to personnel both live through video conferencing and later through video-on-demand.

9. Do you want to reduce travel costs?

Companies with big travel budgets can often justify the purchase of video conferencing systems based on travel cost savings alone. While productivity costs are the main impact of travel on companies, eliminating a big percentage of airfare, hotels and per diem expenses can directly impact the bottom line.
10. Do you want to be aligned with the next big step in communications technology?

The growth of video conferencing is explosive, making the technology more and more essential in inter-business as well as intra-business communications. Companies have invested huge sums in computer and networking technology and now are focused on getting even better returns from that huge outlay with applications that can bring real business benefits. Video conferencing is the next “killer app.”

While small businesses with only one location may not yet be able to justify an investment in video conferencing unless customer demands require it, most other companies should at least consider the benefits to their bottom line. Even if your firm has evaluated video conferencing in the past, the enormous changes in the technology in just the last year more than justify reconsidering. Companies around the world are quickly realizing that video conferencing is not just a less expensive communication method, it is actually a better one—a method destined to change the face of business in the years to come.
Four factors driving videoconferencing

As an analyst, I’ve been tracking the videoconferencing market for years now and have long thought of it as “a problem with no solution”—meaning that it was kind of neat to have but didn’t really add much to the way I worked and wound up being more of a boardroom toy than anything else. However, I think a number of things have changed over the years that finally bring video into the corporate world as a viable tool that should be part of the UC strategy for most companies. Here are the main factors driving the use of video today.

Collaboration as a key initiative for organizations

Although we’ve always collaborated as part of our jobs, only recently have companies thought of collaboration strategically. Over the past year or so, I’ve talked with many CIOs about how to better enable collaboration among their employees and what the best tools to use are. We have many tools today, such as audioconferencing, Web conferencing, instant messaging and email, but there isn’t one that’s visually driven, which is where videoconferencing comes in. It doesn’t have to be used in every collaboration session, but the fact is that people tend to pay more attention (and retain information better and longer) with a video session than with a voice-only session.

Better technology

I was in IT during the days of roll-around carts and video systems where half the time the audio and video tracks didn’t sync up. The systems were big and clunky and worked only over ISDN, so you needed to be an engineer to be able to set up a video call. From the research I’ve done, these roll-around systems mounted on TVs generally took anywhere from 30 minutes to an hour of IT time to get up and running, so any kind of spontaneity was impossible. When the quality was bad, it generally took away from the user experience instead of adding to it. Today’s systems are of much higher quality. Getting the sessions going is as easy as clicking a mouse, meaning that anyone can use them. The systems also work over IP instead of ISDN, making company-to-company communications much easier today than in the past.

Wider variety of videoconferencing tools

Again, let’s roll back the clock 10 years and look at what we had: large TV-mounted systems and small TV-mounted systems. Basically the same experience—just meant for differently sized offices. Today, in addition to the traditional room-based systems, there are high-quality desktop units that are available at a relatively low cost. Also, today’s PCs are of far higher quality and can process the information much better, meaning that the quality stays high. There are also some really cool, innovative systems like Microsoft’s Roundtable that actually allow someone remote to feel that he’s part of a larger conference environment.

I recently had a six-hour session from a hotel room over Roundtable, and I thought it was a great experience. I got much more out of it than from just a voice-only conference. At the high end, there are products such as Cisco’s TelePresence, which is an experience unlike any other as far as video goes. I’ve attended many meetings over TelePresence, and while it’s not quite the same as being there, it’s very close.
Constraints on travel and green IT initiatives

I’ve never liked the justification for video being simply a “reduction in travel costs,” but I do think that with the current economic conditions, rising fuel prices, and organizations looking to cut costs, reduction in travel actually has become a driver for video. Reducing the amount of travel can help a company reduce its carbon footprint, helping with green initiatives.

I do recommend that those companies currently in the planning or deployment phase take a look at adding video to their overall strategy. But they should understand the variety of systems that are available today and bring in a mix of video systems. There’ll be some initial resistance from users (no one likes the thought of being seen on camera), but I’ve found video to be a very “sticky” technology.

About the author: Zeus Kerravala manages Yankee Group’s infrastructure research and consulting. His areas of expertise involve working with customers to address their business issues through the deployment of infrastructure technology solutions, including switching, routing, network management, voice solutions and VPNs.

Before joining Yankee Group, Kerravala was a senior engineer and technical project manager for Greenwich Technology Partners, a leading network infrastructure and engineering consulting firm. Prior to that, he was a vice president of IT for Ferris, Baker Watts, a mid-Atlantic-based brokerage firm, acting as both a lead engineer and project manager deploying corporate-wide technical solutions to support the firm’s business units. Kerravala’s first task at FBW was to roll out a new frame relay infrastructure with connections to branch offices, service providers, vendors and the stock exchange. He was also an engineer and technical project manager for Alex Brown & Sons, responsible for the technology related to the equity trading desks.
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