Cloud Services Maximize the Strategic Value of Business Video

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Introduction: Context Drives the Need for Business Video

Video technology has been around for the better part of two decades, but has never been a mainstream corporate collaboration tool for a number of reasons. Legacy systems were costly to procure and manage, there was limited availability of video endpoints, and quality was often poor. Only the largest of large enterprises had the budget, staff and opportunity to fully leverage business video.

Today's systems are easier to use — many are as easy or easier to use than a phone, they work on ubiquitous IP technology making video simple to deploy, and social media has driven the fear out of video. Additionally, video systems are no longer strictly room-based. Almost every laptop, tablet and smart phone has high-quality video capability, which can complement room-based systems to deliver spontaneous or scheduled video meetings.

To maximize video, business and IT leaders must fully understand the value video can bring. This requires understanding the best way to leverage video, and which types of interactions benefit most from video.

Exhibit 1: Travel Budget Reduction Often Drives Video Adoption

The first step in building a culture that supports video is to understand the qualitative benefits video can bring. Exhibit 1 (above) shows that video is often funded through a reduction in travel expenses. While this is a great way start using video, it’s just the beginning. Corporate video is about more than just seeing the person. It’s about being able to interpret body language and using visual cues to gather information from an interaction in a way that’s impossible with just audio or written cues.

Corporate video systems also offer the ability to integrate other kinds of content into the session, giving workers an enhanced collaborative experience.
Exhibit 2 (below) shows the impact video has on a user’s ability to learn, absorb and retain information. Video is far and away the richest form of electronic communication, and provides the most information to collaborators.

Exhibit 2: The Impact of Video

<table>
<thead>
<tr>
<th>200%</th>
<th>40%</th>
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<tbody>
<tr>
<td>Improvement in the ability to learn when using video</td>
<td>Increase in the absorption of information when it’s visual</td>
</tr>
<tr>
<td>38%</td>
<td>73%</td>
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<tr>
<td>Improved retention in video-based meetings vs. phone-only</td>
<td>More meetings end faster and with better results when done with video</td>
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Source: ZK Research, 2014

Video is ideal for the following use cases:

- **Ad hoc meetings:** Video allows workers to quickly jump into a virtual conference room and have a high quality, interactive discussions where each participant has audio and visual communication capabilities.

- **Remote workers:** Organizations are increasingly concerned with finding the best-fit employees regardless of geographic location. However, remote workers are often socially isolated and not part of larger teams. Video creates an almost in-person experience where remote workers can quickly socially integrate into an organization.

- **Executive meetings:** This has long been a strong use case for video. Executives must react faster than ever because of the increasingly competitive global business climate. Video allows global companies to bring executives together without travel. In addition to the cost savings, the recovery of lost travel time can lead to a significant acceleration in decision-making.

- **Remote experts:** Video is becoming increasingly popular when experts are needed quickly. Experts from within or outside organizations can be integrated into a meeting or collaborative session, removing what can be a significant amount of latency without video. Telemedicine, teleconcierge (hospitality) and telejustice are three examples of remote expert needs.

- **Remote education:** Educational institutions of all sizes are looking for ways to improve the range and quality of education. Video-based education allows schools to broaden the reach of students. When a session is recorded, students can play it back to review the material, or see it for the first time if they missed the class. The same value proposition is true for corporate training.

- **Remote customer support:** Video-based customer service can add an extra level of personalization and quality of support to each interaction. Additionally, customer service representatives can give step-by-step visual demonstrations on how to use or fix products.

- **Sales presentations:** Not all sales meetings can be in-person, which is why Web conferencing has grown at unprecedented rates. Web conferencing allows sales to share data, but can’t replicate in-person meetings. Adding video to the sales process can enhance interactions, and is ideal for first meetings or interactions where there are cultural barriers.

Companies that deploy video will see a significant reduction in travel, but the value certainly will not
stop there. Organizations will soon find employees are more engaged, customer service will improve and worker productivity will reach new heights. Companies that do not embrace visual collaboration are missing a critical element of strategy and will rapidly fall behind competitively.

Section II: The Challenges that Lies Ahead for Pervasive Video

Video can provide tremendous benefits to organizations that choose to embrace and deploy it. For video to fully reach its potential, the technology must become a pervasive resource. One of the reasons video adoption has been sluggish is that the technology has never benefitted from the "network effect." The network effect means the value of any network is proportional to the square of the number of nodes connected: The more nodes, the higher the value. This is one reason the telephone network is of such great value — anyone can call anyone, no matter where they are or what device they have.

With video there are millions of endpoints attached to networks, but the majority are deployed in small islands, which limit the value proposition. For video to be pervasive, the following must be overcome:

- **All video systems must be simple to use:** While great strides have been made in this area, not all systems are simple to use. Video callers should be able to call anyone with a consistent identifier, be it an e-mail address, uniform resource identifier (URI) or phone number.

- **Video session management must be simplified:** Currently, creating calls within an island using a single vendor technology is relatively straightforward. However when going off-net, establishing the connections, maintaining them and terminating them can be significant work. This is increasingly difficult when connecting personal devices to business devices over mixed network speeds and mediums.

- **Video needs to migrate to an ad-hoc technology:** The majority of video today is for scheduled meetings. That is, a group of individuals agree to meet at a certain time and rooms and infrastructure are reserved. Pervasive video means that users can “video” one another as easily as they can send a chat message, SMS or make a phone call.

- **Video in the enterprise needs to expand out of the conference room:** Historically, the majority of enterprise video has been deployed in conference and boardrooms. For video to be pervasive it must expand to individuals through desktop, laptop and mobile endpoints. The vision of pervasive video is for any video endpoint, no matter what type, to connect to any other endpoint.

- **Video management must improve:** As the number and variety of video-enabled points grows, management and operations challenges will grow exponentially. A better way of managing the infrastructure is required to support an order of magnitude of more endpoints.

- **Video solutions must be open and interoperable:** One of the major barriers to broader use of video is that the solutions have historically been vertically integrated from vendor to vendor. This has made any kind of multivendor environment difficult, if not impossible to deploy.

- **Better integration into other collaboration tools is a must:** Legacy solutions were siloed in nature, meaning they did not integrate well with corporate directories or unified communications (UC) solutions. Additionally, many solutions were deployed on parallel networks, making integration extremely difficult.

In addition to the evolutionary steps listed above, there is one more significant change that must happen for video to be pervasive — video must evolve to take advantage of cloud-based innovation of all types — on-premise, public hosted and hybrid clouds.

The next section will show how cloud video solutions are unique in that they provide businesses with financial, operational and technology advantages that improve the adoption, accessibility and pervasiveness of business video.
Section III: Cloud Video Provides Top and Bottom-Line Benefits to Businesses

The term "cloud" has become part of every CIO and IT leader's vernacular. Cloud computing isn't a product or a market — it's a delivery model. Cloud utilizes virtualization technology to decouple IT resources from the physical platform, allowing it to be delivered where and when the business requires. This not only optimizes application performance but also maximizes resource utilization.

For example, a banking application may require more processing power at the end of each month to process statements. Instead of having to provision the compute infrastructure for peak utilization and having the systems sit idle the majority of the time, the IT department can provision for normal operations and pull in cloud resources when a performance boost is needed.

However, cloud is not a one-size-fits-all model. Each organization has unique requirements, different skill sets and independent business models, meaning cloud services come in various forms. Some customer segments deploy 100 percent premises-based solutions, while others need partial or full cloud delivery. The main categories of cloud are as follows: Public hosted cloud, private or internal cloud, and hybrid cloud.

Public hosted cloud: With this cloud model, IT resources are located at the service provider's network and the resource is delivered to the enterprise as a service. The cloud or hosting provider deploys infrastructure designed for multitenant environments. This means the service appears to the buyer as an independent resource, separate from any other customer, but is in fact running on a shared resource environment. The virtual resource is isolated and secure, so the cloud provider has the advantage of scale and cost optimization, and the customer has the benefit of leveraging the as-a-service model. Public hosted clouds are often used when organizations do not have the necessary skill sets or budgets to build out an advanced data center.

Private or internal cloud: The private cloud model is similar to public hosted, but the infrastructure is deployed inside the walls of a single organization. All of the benefits of cloud still apply — low cost, resources on demand, optimized resource utilization, etc, but the infrastructure is deployed, managed and operated by the enterprise. This cloud model is typically used with large enterprises that have internal IT resources and budgets to deploy and run the advanced infrastructure. Internal clouds are best for organizations that wish to optimize for performance over cost.

Hybrid cloud: A hybrid cloud leverages internal and public clouds to deliver an application or service. A large global enterprise may choose to build its own cloud infrastructure for UC at domestic locations, but use a service provider for international offices. Hybrid clouds are ideal for organizations that wish to compliment an internal cloud and extend reach or functionality outside a certain geography.

Exhibit 3: Drivers of Cloud Based Video Solutions

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<thead>
<tr>
<th>What are the top 3 benefits of cloud based video communications?</th>
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<tbody>
<tr>
<td>Faster time to service</td>
<td>33%</td>
</tr>
<tr>
<td>Simplifies integration across...</td>
<td>33%</td>
</tr>
<tr>
<td>Ease of implementation</td>
<td>30%</td>
</tr>
<tr>
<td>Geographic reach</td>
<td>26%</td>
</tr>
<tr>
<td>Capacity and scale</td>
<td>23%</td>
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</table>

Source: ZK Research Global Video Survey, 2014
The enterprise video industry, like many markets, is rapidly moving to a software-driven model. Software-as-a-service (SaaS) or cloud-based software has been growing significantly faster than traditional packaged software. In fact the growth is so strong that ZK Research predicts that cloud-based software will grow at a rate seven to 10 times the rate of traditional software.

A 2014 global survey on video purchasing habits shows that organizations find that faster time to service and simplified integration with voice and web are the top two benefits of considering a cloud-based video solution (Exhibit 3). The below is a more detailed list of the benefits of cloud-based video services:

- **Ability to create video-enabled business models:** Video delivered via cloud can address a broad group of users particularly for workers away from corporate locations. This is ideal for campus workers in verticals such as hospitality or medical, field services workers such as technicians that need to reach experts or corporate executives on the move.

- **On-demand video capabilities:** Some video infrastructure is used only for specific purposes, such as periodic board meetings. Often organizations deploy the technology and it remains idle for long periods, providing poor ROI. With a cloud-based service, an organization can buy a set number of minutes for normal use, and burst above it for peak periods. This means organizations pay only for what they use instead of having to deploy for peak periods.

- **Simplification of deployment:** While much simpler than a decade ago, deploying enterprise-wide video can be a challenge, particularly for organizations without the skill set in-house. Cloud services mean complexity is pushed to the network or the "cloud," enabling companies to deploy the technology at a pace the business is comfortable with.

- **Faster time-to-market:** IT projects often have long lead times from inception to delivery. This means organizations may miss any early advantage, waiting for the deployment to finish. A cloud-based service can be turned up immediately, allowing companies to respond to competitive situations faster than ever.

- **Multivendor interoperability:** The amount of work required for a multivendor video solution is challenging. However, a cloud provider can be a network-based broker for multivendor solutions, building-in interoperability. The businesses can communicate with the cloud and the service provider can handle the vendor interoperability issues. This allows companies to buy best-of-breed technologies and be assured the endpoints will work together.

- **Optimized for the mobilized, consumerized enterprise:** For years enterprise IT had the benefit of a single operating system for client computing. Today’s consumerized mobile workforce has no de facto standard platform. IT must deliver all services to multiple operating systems running on devices with various screen sizes and capabilities. Since cloud-based services are platform agnostic, they can deliver a high level of functionality to multiple devices.

- **Advanced feature enablement:** As the video industry migrates to a software-driven market, new features will come at a much faster rate. Cloud-based video will offer advanced video features such as dial out, multi-conferencing, bridge-line calling, video mail and automatic recording.

- **Rapid upgrades of new features:** Legacy applications often have long upgrade cycles as IT installs software on each PC, tablet or mobile device. When the service is pushed into the cloud, software updates are done centrally and each user has new features without the costly IT work. Now that video has moved to a primarily software-driven model, customers should expect new features much faster, making the ability to upgrade quickly a necessity.

- **Highly scalable, reliable service:** Once an organization becomes dependent on video for competitive differentiation, down time and best-effort services are no longer sufficient. Cloud services are highly reliable and easy to scale from just a few endpoints to thousands, as the company requires.

- **Ease of management and monitoring:** The task of managing video infrastructure can be challenging for some IT departments. Most cloud providers offer robust portals so organizations can monitor and self-manage the video environment. Complex problems can be escalated to the cloud service provider, reducing the management burden on IT.

The way people work has changed significantly with more workers requiring robust collaborative tools, no matter where they are, to compete effectively. Cloud-based video can deliver new functionality, faster than ever, to many endpoints. Cloud isn’t simply a lower cost option — it is optimized for today’s mobilized, consumerized world.
Section IV: What to Look For in a Solution Provider

Few things in the business world should be selected solely on lowest price. Cloud-based video is a strategic tool that will become the basis of competitive advantage as it enables faster, more accurate decision-making. Evaluators of video services need to weigh the various choices with diligence and care to make the best decision for their company.

Not all service providers are equal in capabilities and anyone looking at a cloud video service should understand the critical areas to enable a low-risk deployment that can meet the organization’s businesses and technical challenges. The following should be used as decision criteria:

- **Transparent multivendor support**: The video service provider should support a wide variety of endpoints seamlessly to the enterprise. Any multivendor complexity should be completely transparent to the end user.

- **Breadth of solution**: Video conferencing comes in many flavors. The service provider should enable all types of video including desktop, room-based, telepresence and mobile. Additionally, these should work seamlessly together to maximize utilization.

- **Flexible pricing models**: The use of video services will vary widely by organization and service providers should provide an equally wide variety of pricing options to help companies budget and migrate to a video service. Some options will be flexible seat-based models, burstable services and a-la-carte features.

- **Highly secure solution**: Security is, by far, the biggest inhibitor of cloud services and delivering applications from the network make IT and business leaders nervous. Video service providers need to deliver a highly secure service with regard to access and the securing of information. Additionally, the service provider should be able to provide some level of device security as part of the solution.

- **Robust management portal that empower the business consumer**: More and more consumers like to self manage their environment. Video service providers need to provide functionality through a portal to the IT department, and also to individual workers.

- **A platform designed for the cloud**: Any cloud service needs to be built on a robust platform that was designed for the cloud era. This means the solution should provide true multitenant capabilities and comprehensive APIs to enable integration with corporate developers, OSS vendors and software companies. Additionally, the platform should be built on open, standards-based technology to ensure the broadest possible ecosystem.

- **Scalability and geographic coverage**: Every organization has the potential to be global. Even if the company is predominantly based in a single region, it may have customers, partners or remote employees around the world. The solution provider needs to have wide geographic coverage, and the service should scale as large or as small as any company needs it to.

- **A robust, scalable solution built industry standards**: Choose a service provider that has chosen a technology partner with a long history and installed base in video. Much of the future value of video will be integration into a larger ecosystem making the underlying platform extremely important. Well established vendors with a large installed base will have experts, patents, resources and an established community of support to rapidly deliver value above and beyond the service.
Section V: Conclusion and Recommendations

Business video has the power to change the way people work, streamline business processes and bring corporate productivity to new heights. To maximize the value of collaboration, organizations must now make a video a bigger part of the collaboration tool kit. However, historically there have been significant barriers that prevent organizations from being more aggressive with video — meaning the business isn’t realizing the full potential of the workforce.

A cloud-based solution can help companies migrate quickly to video and deliver rich functionality to more users faster than ever before. To help companies get started, ZK Research recommends the following:

- **Focus on the core of your business and offload the rest:** IT departments should have a laser focus on the tasks that give the organization a sustainable competitive advantage. Business video is a game-changing tool that can enable new processes, but IT leaders should focus on how to integrate video into the business and utilize a service to minimize the operational challenges. Even large IT departments with in-house skills should consider a hybrid strategy to augment their internal cloud deployment.

- **Insist on an open, standards-based solution:** This will ensure the broadest interoperability with the biggest possible ecosystem. This is a critical step in video becoming a pervasive, enterprisewide resource.

- **Make video a core collaboration tool:** Companies that do not use video as a mainstream communications tool are not allowing the employees to fully maximize the time spent interacting. Video can provide more, richer information exchanges, speeding up the corporate decision-making process.

- **Consider a cloud video solution to at least augment the current technology:** Even if your organization has recently deployed a premise-based video solution, use the cloud solution for mobile workers, a smaller office or offices in geographies with no local IT support. The cloud service can be an excellent augmentation to any strategy.

- **Build video-enabled business processes:** Once video is deployed, understand how the process can be altered or redesigned around video. Video-enabled business processes will ultimately lead to competitive advantages for organizations that embrace video as a mainstream collaboration tool.

- **Ensure mobile is part of the video plan:** Business video has historically been a tool to connect corporate offices. However, more and more, workers are looking to connect via video when they are on the road over a variety of mobile devices. Ensure the cloud service you choose supports all of the leading smart phones and tablets for maximum ROI.