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Leveraging the Power of Video Conferencing for Business: Best Practices for Supporting Collaboration in the 21st Century

A Frost & Sullivan
White Paper

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INTRODUCTION

The past few years have seen a remarkable change in the way companies do business, and organizations must react to the new way of working to stay competitive in an increasingly global and virtual environment. 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 boost productivity while keeping costs down, they must effectively support a growing number of dispersed workers and customers.

But the changing business landscape also poses significant challenges when it comes to keeping employees connected to one another and the people they work with and support, without incurring additional travel costs or time away from the office. And they don't just need to communicate—in this increasingly flat marketplace, they need to collaborate: 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.

In an increasingly global and virtual workplace, unified communications and collaboration (UC&C) are changing the way people work. The new technology can make employees more productive, cut costs, decrease cycle times and boost the bottom line. Video conferencing, especially, has proven to be a boon to organizations that want to leverage the benefits of face-to-face communications without incurring the high travel costs and productivity downtime that typically accompanies in-person meetings. As a result, video conferencing offers a very attractive ROI.

By letting people see everything from facial expressions to body language, video conferencing increases understanding, even across language and cultural boundaries. When combined with Web conferencing that supports presentations, desktop sharing, mark-up capabilities and Q&A, video conferencing can be even more effective than in-person meetings, allowing participants to work on documents in real time and leave the meeting with new knowledge and clear action items.

This paper will examine the need for advanced communications in today's business environment; look at how and where video conferencing fits into collaboration; identify the most popular use cases for video conferencing and collaboration; highlight the ROI for video technology; and identify the key elements to look for in a business-grade video conferencing solution.

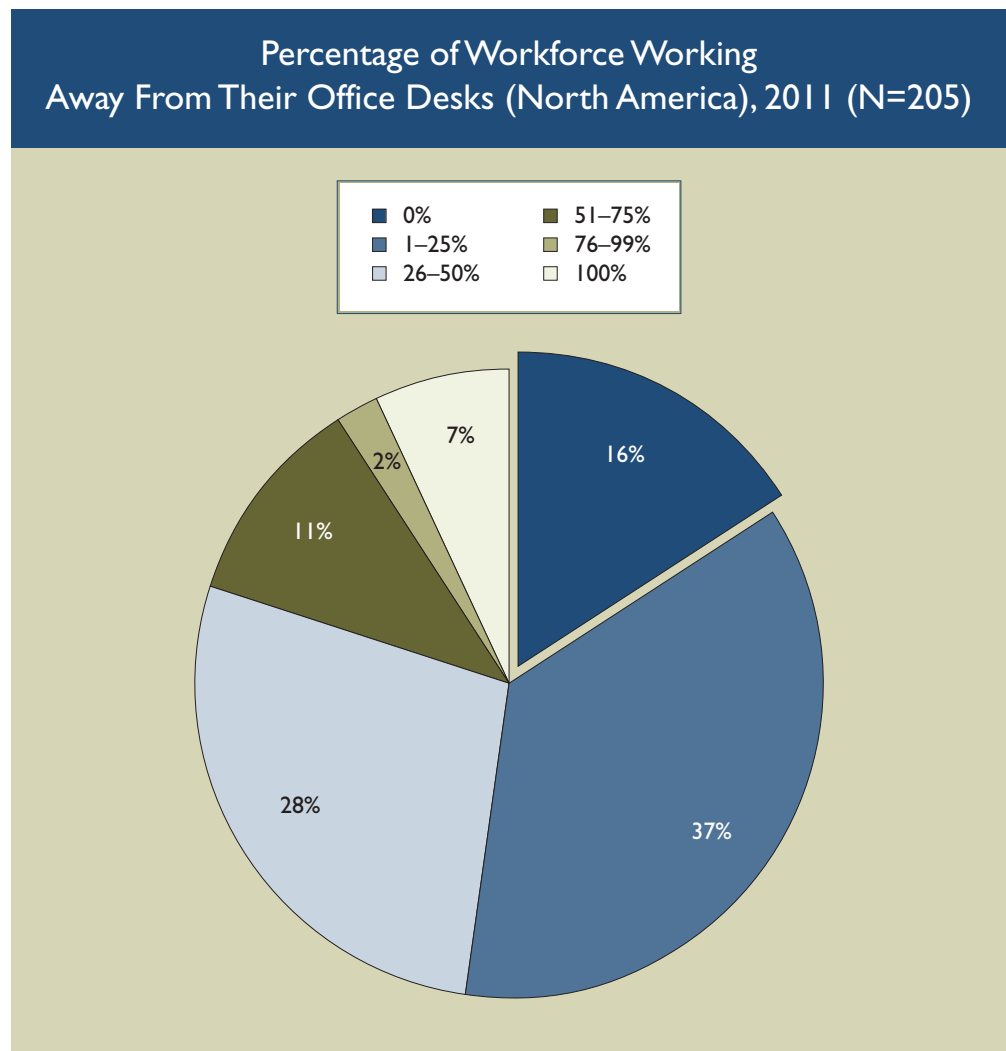
THE CHANGING NATURE OF BUSINESS

Now more than ever, companies must shrink decision cycles and times to market, seize new business opportunities, and lower operational costs—all while increasing productivity. At the same time, more employees are working from home and other far-

flung locations, rarely seeing their colleagues, business partners, and customers in person. But while travel is more expensive and time consuming than ever, and employees are struggling to balance busy work and home lives in an always-on world, employees must continue to collaborate regularly and cost-effectively to stay competitive.

Welcome to the Virtual Workplace

Frost & Sullivan research shows that the number of people working remotely continues to rise. In a recent survey of C-level executives, 84 percent report that some percentage of their employees regularly work outside the office; at nearly one-quarter of organizations, more than 50 percent of all employees do so.



Of course, companies have always looked for ways to increase and improve collaboration: In a knowledge economy, in which information, ideas and execution are what separate winners from losers, ensuring that the best ideas are shared and then acted upon is critical. But getting employees to collaborate has always been a

challenge, especially in top-down organizations, where finding and accessing the right people and expertise can be a difficult. The challenge only grows when employees are located in different offices, or spend much of their time at home or on the road.

Companies are also struggling to enable collaboration between employees and their business partners and customers, on a global scale, since there can be enormous benefit from working with partners and clients to solve problems, create new products and services, and generate deeper business relationships.

Companies can see significant benefits from letting their employees work from anywhere, including savings on facilities and operations, higher employee satisfaction and retention rates, and the ability to hire and promote the best people, regardless of where they or the jobs are located. A 2009 study from the Institute for Corporate Productivity (i4cp), for instance, reports that 78 percent of polled companies report that flexible-work options bolster retention rates, up from 64 percent the previous year.

Enterprise Checklist: Is it Time to Support a Virtual Workplace?

- Your employees, partners and customers are located in more than one place.
- You need to cut travel and facilities costs.
- You want to improve employee productivity.
- You must support employees who work outside normal business hours.
- You want to reduce your carbon footprint and that of your commuting employees.

New Ways of Working Demand New Technologies

Technology has enabled the virtual workplace, but now it must also support increased communications and collaboration across virtual teams, inside and outside the organization. The need for better collaboration is driving new forms of communication. Advanced communications tools such as integrated audio, Web and video conferencing let employees, teams and communities share information and connect with each other across geographic and cultural boundaries, using a single interface.

In a recent Frost & Sullivan survey of C-level executives, respondents cited improved customer service, faster decision-making and lowered costs as prime drivers for their use of these technologies. Frost & Sullivan research also shows

"Personal engagement is one of the key challenges in running a work-at-home environment. For us, video collaboration with HDFaces has created a new type of virtual office. We use HDFaces to connect our team— it's much more interactive seeing someone than hearing them on the phone. For our staff, it helps them overcome the feeling of being isolated and faceless, and allows them to build relationships and have more meaningful conversations with their colleagues based in other locations."

—David Buckmaster, Technology Manager, Medibank Health Solutions

A recent Frost & Sullivan study shows that almost a quarter of respondents use video conferencing every day, and 45 percent rate it as “very important” to their organization.

Among all enterprise communications, video conferencing is seen as having the biggest bang for the buck when it comes to reducing travel costs and delivering a clear ROI, according to a Frost & Sullivan survey of CXOs.

that 40 percent of companies that have deployed unified communications say it improves collaboration and productivity across geographically dispersed teams.

Where Video Conferencing Fits In

By letting users read facial expressions and body language, video conferencing helps companies compete in an increasingly complex and global marketplace. Research shows overwhelmingly that people understand more when they see people speaking, rather than just listening to their voices; for example, a recent study by the Baylor College of Medicine shows that visual cues help people understand what’s being said six times better than speech alone.

Today’s video conferencing technology is so easy to use employees can launch video calls on the fly, without any help from IT. And the tool is even more valuable when it’s part of a broader audio and Web conferencing solution, since users can share slides, mark up documents, and collaborate in real time—all while receiving the benefits that video alone conveys. That makes it much more likely they’ll take advantage of the technology, which increases return on investment.

UNDERSTANDING THE VALUE OF VIDEO CONFERENCING

Smart managers know that saving money is important, but driving productivity, boosting the bottom line and taking advantage of new opportunities as soon as they arise is the only way to stay competitive in a fast-changing marketplace.

Video Conferencing as Part of Web Collaboration

As they look to support a virtual workplace, companies must be prepared to deploy the best technology for supporting the new ways of working, while also paying attention to business processes and overall corporate culture. Choosing the right tools for the job, identifying a clear ROI, and making sure the right employees have the technology when they need it will ensure the transition goes smoothly and yields all the anticipated benefits.

Generally, video conferencing endpoints fall into four categories:

- **Room video collaboration systems** facilitate high-quality video collaboration in a group setting, including meeting rooms, boardrooms and auditoriums.
- **Executive desktop video collaboration systems** include executive office desktop systems as well as IP and ISDN-based videophones. Executive systems are all-in-one units with a built-in camera and monitor.
- **Desktop video conferencing** for personal video collaboration leverages Web cameras and microphones designed for personal use.
- **Telepresence** is an evolving category that represents the highest end of the visual communications spectrum, providing an immersive communications experience.

Companies are starting to realize that PC-based video conferencing offers the most cost-effective way to extend the benefits of visual communications to every employee who needs it. This is especially true when it is integrated into a broader Web conferencing product, allowing users to share slides and presentations, work on documents and visit websites, and ask questions and respond to polling and other interactive tools.

Return on Investment

Video conferencing offers significant return on investment, often paying for itself in a matter of months due to the money companies save on travel and related expenses. Frost & Sullivan research shows that when air travel is involved, business trips average \$1,000 per person; even when employees drive to meetings, the cost can hit hundreds of dollars. It doesn't take many participants for the cost of a single in-person meeting to reach five figures; for every person who doesn't have to drive or fly to attend, companies can save hundreds or even thousands of dollars.

But when forward-thinking companies make their ROI calculations around video conferencing, they also factor in the softer benefits of the technology. If they don't have to spend hours or days travelling to and from meetings, employees are more productive—they can use that travel time on actual work. And since video conferencing itself makes audio and Web meetings more effective, the technology improves the value of those other tools. Finally, video conferencing helps strengthen virtual teams by helping remote employees integrate more easily into the group. That makes more meetings more productive, shortening cycle times and decision-making for a host of business processes and interactions.

“We needed to connect our remote employees and our dispersed sales executives, who are constantly on the road, working from hotels or from their homes. In addition, we needed a reliable Web conferencing solution to connect us with our external partners and help us to collaborate with them more often—and more efficiently. GoToMeeting with HDFaces has helped immensely, making it simple for our employees to connect with anyone face to face.”

*—Mike Warner,
IT Manager,
Progressive Foam
Technologies, Inc.
Human Resources*

USE CASES FOR VIDEO CONFERENCING

Video conferencing can benefit any number of job roles within all vertical industries. But some offer more immediate payback than others.

Sales and Marketing

Sales and marketing professionals are faced with a number of business challenges, and they require new technologies to meet these needs. Marketers must reach more targeted audiences; expand their global footprint; generate more leads in less time; reduce the cost per lead; and collaborate with one another, business partners, and other employees to ensure their efforts align with those of the broader organization. Salespeople must be able to meet with clients on a regular basis, while keeping travel time and costs down; deepen existing customer relationships in order to drive cross-selling and up-selling opportunities; and collaborate closely with marketing teams and business managers to qualify leads and drive conversions.

Video conferencing can facilitate these initiatives by letting salespeople and marketers identify and target prospects and clients regardless of where they're located, then meet with them anywhere, anytime, in a real-time environment. Combined with Web conferencing, video can help marketing and salespeople create targeted campaigns, qualify leads, analyze effectiveness, develop and deepen customer relationships, and enable collaboration with sales teams and lines of business. They can use the technology to offer customized content across physical and cultural boundaries, and then deliver it to as many people as possible, regardless of where they're located.

Human Resources

Like just about every other line of business, HR departments are stretched thin, trying to do more with less. They have fewer people and resources, and yet the challenges they face are on the rise, especially as they must support a growing number of remote and mobile workers. By using video conferencing to roll out information on new policies and procedures, train employees on new software or business processes, announce company-wide information, and strengthen corporate bonds, HR can reach all their employees anytime, anywhere—without giving up the value of visual communications, and without the need for costly and time-consuming travel.

HR can also use video conferencing to significantly improve their online training. In this increasingly global and competitive marketplace, employees and partners must be well educated, both to do their jobs effectively and to make the most of new technology. Organizations must continually train their employees, as quickly as possible, and regardless of where they are located in relation to the company or its training staff.

Finally, as companies ramp up hiring, video conferencing can make the recruiting and hiring process much more effective, without increasing costs. Remote applicants can interview with multiple managers and prospective colleagues, giving everyone a better sense of one another, and whether the candidate is a good fit for the organization. Once they're hired, new employees can use video conferencing to get up to speed on company policies and procedures, and trained on applications and processes.

Internal and External Collaboration

Frost & Sullivan research shows that companies that use advanced communications and collaboration technologies gain a clear competitive advantage. Of those companies that have deployed such tools, 72 percent say that they have experienced better performance.

Companies have always looked for ways to increase and improve collaboration. Today, the challenge of simply talking to people has grown as the workplace has become more virtual, and this challenge is driving new ways of communication. Furthermore, employees are realizing they need to enable discussion and deliberation not just among their employees, but also with partners, and even customers.

But simply enabling people to communicate doesn't mean they will collaborate in a meaningful way—a way that helps the company enable a virtual workplace and improve productivity at the same time. Employees can use video conferencing to brainstorm ideas, create documents, and vet the results with executives and line-of-business managers—just as they would if they all worked in the same place. That saves on time and travel, and it ensures more people will be part of the conversation—which makes it more likely that the results will be better for the company and the bottom line.

WHAT TO LOOK FOR IN A VIDEO CONFERENCING SOLUTION

- **Reliability:** It's critical that your video conferencing solution work every time for every user, regardless of their network connectivity. This is especially true as more employees come to rely on the technology to improve meeting effectiveness and forgo traveling to in-person events. It's also important that the technology is easy to scale, up or down, as needed.
- **Security:** As advanced communications applications become more pervasive across an organization, it is critical that the technology be secure and easily managed by IT.
- **Ease of Use:** To get the most out of any collaboration application, employees must be able to use it without intense or ongoing training. Features and functions must be intuitive and useful; access must be seamless. This is especially true as employees start to extend use of the system out to partners and customers, who won't take or have the time to learn how to use it.

“As we expanded our work-from-home program, I was afraid of losing the sense of being a team. GoToMeeting with HDFaces video conferencing amplifies online project management and is an important part of the program's success.”

—Alex Soltzak, Vice President, Client Solutions, LIGHT[PORT]

- **Cost Effective:** To be truly valuable, video conferencing technology should be available to everyone in the organization, not just senior executives and management. Desktop video makes it easy for people to access the technology from any PC or mobile device, which makes it much more accessible than room-based systems. But to enable that kind of widespread usage, companies must look for a cost-effective solution that will easily scale up or down, as needed.

CONCLUSION

In an increasingly virtual workplace, with employees located around the world, advanced communications and collaboration technologies are changing the way people do business. The new tools can make employees more productive, cut costs, decrease cycle times and boost the bottom line. Desktop video conferencing has proven to be a boon to virtual organizations, which can use the technology to leverage face-to-face communications between any and all employees without incurring the high travel costs and downtime that accompany in-person meetings. The result: Higher productivity and a very attractive ROI.

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