The Wainhouse Research Bulletin

Lots of news this week, especially for videoconferencing fans.

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Andrew W. Davis, *andrewwd@wainhouse.com*

New System from Sony targets HD for the Enterprise

This week Sony introduced the PCS-XG80, a videoconferencing system that supports 1080i HD video, the first non-telepresence system we are aware of to support this HD video standard. The XG80, unlike its big sister the XG90 which is aimed at the broadcast market, is priced and configured for enterprise users. The list price of the unit, which includes camera and codec, is 7000 Euro or $9000. Notable features include:

Sony's Yaz Ogino, Ron Urano, and Akihisa Obara

➢ Compact packaging that also sports two IP network ports for added WAN/LAN security

➢ New proprietary Brightface technology embedded in the camera produces clear images even when used in rooms with less-than-ideal lighting. The camera itself uses a proprietary interface to connect to the codec. Third party cameras can be used with the system as well.
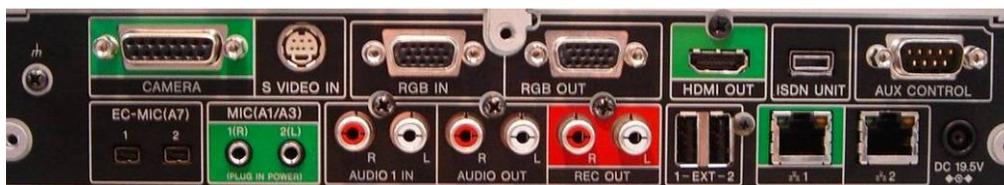
Rear panel of PCS-XG80

➢ Support for wideband stereo audio (the unit ships with two microphones) and 1080i video

➢ A simplified user interface with one-touch dialing (special keys on the remote), translucent menus, enhanced phonebook, quick start and stop presentation tools. The hand held remote uses RF and not IR, supports a 10 meter range.

➢ H.239 collaboration with new support for video annotation overlays using a third party writing tablet (just like watching sports on TV). In an H.239 call, video resolution is limited to 720p but the system can support two 720p streams at 30 fps.

➢ An embedded (optional) 6-way multipoint bridge. All IP connected endpoints must be at the same speed and resolution, and likewise all ISDN endpoints, but the device can act as a gateway between IP and ISDN.

Comments: Once again, this looks like a serious contender for videoconferencing market share. We haven't seen the unit in operation, so our comments are based on paper statistics and unproven claims from the vendor, but Sony's 1080i for 7000 Euro, complete with camera and stereo support, should provide a compelling argument for any enterprise buyer. Add to that the Sony brand name and recognition, and simple logic would tell you this is a winner. The bump in the road comes from Sony's lack of "feet on the street." Channel partners in Europe seem to be spotty, with good coverage in some areas but poor coverage in others; meanwhile the USA is in the hands of Spire Global. We shall see if the XG80 is the fuel that resellers have been waiting for to start their Sony engines, but at first blush, the XG80 looks like Sony's high octane solution. If you don't think HD makes a difference vs. SD, you haven't been paying attention. Whether 1080i vs. 720p is significant, however, remains to be seen.

Vidyo Emerges from Stealth Mode

Vidyo, nee Layered Media, emerged from stealth mode with a variety of announcements. Perhaps the most dramatic news is that the company has licensed its VidyoTechnology based on scalable video coding (SVC) to none other than Cisco Systems. Cisco intends to integrate the technology into Cisco Unified Communications solutions to enhance Cisco's ability to provide users with high quality desktop video across a broad range of network environments.

SVC was ratified by the ITU-T Video Coding Experts Group (VCEG) and International Standards Organization (ISO) MPEG just two months ago. Formally known as H.264 annex G, SVC enables a video stream to be broken into multiple resolutions, quality levels and bit rates. The different bit-stream components make it possible for applications to dynamically adapt to varying network conditions such as packet loss, fluctuating network bandwidth, and network delay. The bottom line is a better video experience in both point-to-point and multipoint calls.

Vidyo also introduced a suite of products. The VidyoRouter provides multipoint functions such as composite layout, rate matching and error localization. It achieves this without decoding or encoding the video, making it much more scalable, economic and, lower delay than traditional MCUs. Since the VidyoRouter sends only as many packets as an endpoint is capable of handling, network utilization efficiency is significantly improved. Because the amount of processing power and bandwidth available at each endpoint is dynamic, the VidyoRouter constantly tests and recalibrates what it ought to be passing along as conditions change during the session. List price is $1000 per port per year (a different business model). Router ports are NOT needed for point-to-point calls. A single server hardware platform can handle 100 ports. VidyoGateway provides connectivity to legacy SIP and H.323 systems.

VidyoRoom is a stand-alone system ($6K to $13K in single and dual monitor configs) supporting 720p at up to 60 frames/sec. VidyoDesktop is an HD software client available for Mac or PC. Users are assigned a personal space that can be password protected, thus making it possible for meetings to be held anytime – whether impromptu or by prior arrangement.

VidyoPortal is a web-based environment from which VidyoConferencing is managed. For end-users, all functions required to initiate or join a video conference are supported including adding participants to a conference; defining calling features such as speed-dial; searching or browsing for other

Boston WR Summit
Set to Launch – July 2008

Check this out

users; and setting personal account preferences. For administrators, the VidyoPortal serves as a central management environment. Portal seats are priced at $30 per seat per year. You can think of these as concurrent user licenses.

Finally, the company announced that it has signed up over ten resellers. While the resellers are strangely not named specifically in the press release, the document does include quotes from OmniPresence, Collabcom AG, Comiris Group, Comm3, HS Digital, Videre Conferencing, Vidofon AG, and Visionality. Judge for yourself.

Here's What I Think. SVC is impressive, important, and potentially game-changing. The technology put together by Vidyo has the potential to alter the way we think about videoconferencing by making that application far more pleasing and practical for a large audience. Because SVC is a standard, I would think that Vidyo's potential for licensing deals like the above-mentioned Cisco agreement would be extensive. But now that the company has announced a product suite, Vidyo may be competing directly against the companies it is trying to sign up for license agreements. On the other hand, Vidyo faces huge potential with companies like Skype, Yahoo, Google, etc, where video is an add-on to other applications.

Although Vidyo has announced products and resellers, our experience in a recent demo suggests that while the underlying technology is fascinating and can deliver real benefits, the current product suite (admittedly a version 1.0 suite) is raw and unfinished around the edges. Functionality is limited to videoconferencing, no collaboration; the user interface is very limited, and some work remains in the portal area. However, the basic business model is very intriguing and likely to attract attention from the end user community. You don't buy the Vidyo software license with a big upfront investment, you pay a low yearly figure. I think corporate America (and Europe) is going to like that model. Vidyo will be demonstrating its stuff at our Berlin Collaboration Summit in April. Come check it out.

News in Brief

➢ Konftel introduced the Konftel 300 speakerphone. The device features three network connections: USB for VoIP calls, analog POTS, and GSM/DECT. Another unusual feature is an SD memory slot to record (and playback) conversations. Expansion microphones are available for larger meeting rooms.

➢ Verizon Business (nee MCI) has rolled out a high-definition videoconferencing service. The service supports voice-activated switched 720p video at 30 frames/sec and is the result of a software upgrade performed on the company's MGC core.

➢ We have published two new whitepapers. One is on Polycom's Lost Packet Recovery (LPR) Capability that helps protect IP video calls from the damaging impact of packet loss and provides a more consistent, high-quality experience in typical public and home broadband network environments. The whitepaper has an MSRP of $0. The second is titled Telepresence vs. Videoconferencing: Resolving the cost/benefit conundrum. This short work contains a counter-intuitive look at the cost of these two solutions. It's not what you might think. The MSRP of the telepresence report is 0€ Both whitepapers are available now.

➢ Belgium based Communications Business Solutions is now available in English.

➢ Siemens Enterprise Communications announced a new brand name – OpenScale – for its professional and managed services portfolio. The company also announced it will invest significant resources into strengthening its existing global service infrastructure and in
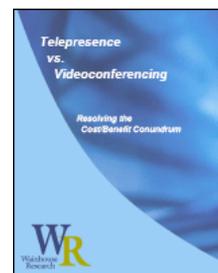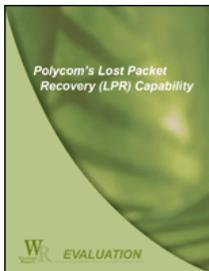
accelerating its capabilities in delivering software-based Unified Communication services, including new tools for proactive network monitoring.

➢ BT plc (British Telecom) has licensed SPIRIT DSP's audio technology for concept testing of its next generation telecommunications services.

➢ Reservation-less audio conferencing service provider InstantConference has released a new scheduling tool that lets customers schedule conference calls right from Outlook. InstantConference services, including recording, are available at no cost other than callers' normal long distance service fees.

➢ Telepresence vendor Telanetix has appointed Imago Group PLC as a distributor for its digital presence products in the UK, France and Benelux.

➢ Movius Interactive, focused on messaging, collaboration and mobile media solutions, is the new name for the company that resulted from the merger of IP Unity and Glenayre.

➢ Avistar received notification from the US Patent and Trademark Office of seven new patent allowances in areas of real-time communications. The patents specifically relate to technology for video communications, voice over Internet protocol, and instant messaging.

Going Green with Telepresence: 26 Feb   *Richard Norris, richard@wainhouse.com*

Our Februay meeting of the P9 User Forum will locus on going green with video-conferencing, telepresence, and collaboration solutions. We have secured an exciting keynot speaker in Peter Lockley, Head of Transport Policy, the World Wildlife Fund.   Peter's keynote will provide an overview of the climate challenges we face and aviation's current and future contribution. He will outline the role that telpresence can have in the reduction of business travel and WWF's work in this field.   Also presenting at this unusual

Peter Lockley   Paul Marcoux

world-wide, 6-site, telepresence-based four hour session is Paul Marcoux, VP of green engineering for Cisco Systems. As the new "Green" Czar, Paul is responsible for driving Cisco's green initiatives both internally and externally wotj customers. Paul has tremendous industry presence and vision. He has authored many publications on topics like Data Center Technology & "Greening." He is also a founding member of The Green Grid Organization and The Green Grid Technical Committee.

Wainhouse Research has reserved six telepresence suites courtesy of Cisco and will use these on 26-February to host a half day Point Nine round table discussion. If you can make it to Boston, New York, Atlanta, DC, London, or Amsterdam visit www.wainhouse.com/point9 to reserve your place. Starting time will be 8:00 in the North American time zone and 13:00 and 14:00 in London and Amsterdam respectively. Contact Sara Fargo, sfargo@wainhouse.com if you would like to sponsor this very unusual session demonstrating the power of telepresence in sales, marketing, HR, and other business processes.

Berlin Collaboration Summit Update: 8-10 April

Our fourth annual Wainhouse Research Collaboration Summit is set once again for Berlin at the 5-star Steigenberger Hotel. Continuing our tradition of trying to cover all things conferencing and collaboration related, this year's conference will include in-depth sessions on 1) the latest trends and applications of videoconferencing and telepresence; 2) issues impacting service providers, particularly with the growing interest in unified communications services and desktop video hosted applications; and 3) the real impact of IP telephony and unified

Stephen Karapetkov Polycom (USA)	Joanne Celens Synthetron (Belgium)	John Paul Williams Tandberg (USA)	Alan Greenberg Wainhouse Research (USA)
Visual Communications: How tomorrow's applications will differ from today's	Listening tools: to capture collaborative wisdom for conclusive brainstroms	How visual communications can drive innovation and business process transformation	From Education to Mobile Workers: Opportunities for new products and services

collaborative applications and how enterprises can avoid the mine-fields of these emerging solutions.

Our featured speaker list this year will include six presentations from WR analysts, multiple end users telling their tales of videoconferencing and telepresence, two new ventures in the service provider space, experts on unified communications, and more. Visit www.wainhouse.com/berlin08 for the complete story on this international conference.

The registration web page is now live. Don't miss this opportunity to hear what's happening with presence and IM, telephony-based conferencing and collaboration, mobile solutions, and high-definition video and telepresence. Network with your peers and with industry experts.

In addition to our conference, the 2008 program will feature in-depth workshops plus several hours of exhibit hall demos.

The Berlin Collaboration Summit has a limited number of sponsorship opportunities remaining - contact Sara Fargo, sfargo@wainhouse.com .

WR Collaboration Summit Berlin Sponsors

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Final Words on Lotusphere 2008

We covered the major announcements from Lotusphere in our last bulletin (WRB Vol 9 #03). Our newest analyst, David Dines, who is our Enterprise Social Networks (ESN) specialist, has started a blog on the subject, beginning with his observations from Lotusphere. Check it out. Meanwhile, analysts Andy Nilssen and Brent Kelly also took in the show hosted by IBM. Reflecting the newest collaboration solutions, the meaning of IBM has progressed from "I've Been Moved" to "I'm By Myself" according to some.

Brent Kelly (bkelly@wainhouse.com) reports the following from the Orlando Event.

Lotusphere 2008 in Orlando lived up to its 15 year tradition as a lively, boisterous highly entertaining, interactive, and informative event. The opening session started off with rousing music from the Orlando Symphony. IBM Lotus General Manager, Mike Rhodin, then tied in the new Lotus Symphony open source document, presentation, and spread-sheet software to the Orlando Symphony.

The theme of the conference was "Emergence." From IBM data collected from 760 CEOs, both the #1 concern and the #1 priority was collaboration. To that end, Lotus Connections, the company's social software product announced last year, has been purchased by several hundred customers. About half of these customers are in Europe, and most of them are WebSphere portal customers as well. Connections provides profiles, dog ear (ability to tag a particular page or document), activities, communities (shared interest groups), and blogging.

A few key takeaways:

➢ IBM Lotus has invested heavily in SOA and Web 2.0 technologies. Notes, Connections, Quickr, Sametime, and other products are all written using Eclipse. Embedding, integrating, or mashing up any of these applications with one another and with third-party applications is very easy. And, what is even more compelling is that an application built for one of these software products will easily plug into the others and into WebSphere portal. Bottom line: IBM clearly has a well constructed Web 2.0 strategy, and it is executing on it.

➢ Lotus Sametime has 100M entitled users, meaning that users of Lotus Notes 6.5.1 and beyond

have had Sametime IM and presence built in and available to them. Net new full (paying) Sametime users has increased by about 4 million over the past two years, bring the total up to about 20 million paying customers. Furthermore, another 4.5 million have subscribed to Sametime Entry. IBM reported that approximately 1/3 of the new Sametime customers are in Microsoft Exchange environments, a fact that promotes IBM's vision of heterogeneity and multiplatform solutions.

Bruce Morse, VP Unified Communications Software, Lotus Software, gives his annual Sametime state-of-the-union address in the big-tent

➢ Although much was said about the new Sametime Unified Telephony capabilities, few details were forthcoming.

➢ IBM announced Lotus Mashups, a product for building composite applications. The product will allow customized panes for Notes, Sametime, WebSphere Portal, and any other website.

➢ The company also announced Lotus Bluehouse, a software-as-a-service capability. These SaaS services are targeted toward SMBs and will give SMBs the ability to share contacts and files, interact with external people via IM, and collaborate using web conferencing.

➢ IBM also introduced Lotus Foundations, a new generation of SMB server preloaded with software applications including firewall, storage, Notes, Sametime, etc. Mike Rhodin pulled a Lotus Foundations Server out of a manila folder (playing on what Steve Jobs did with the new Apple Air laptop). Mike's manila folder was much thicker, however.

Partner Announcements made at Lotusphere:

➢ Cisco – Cisco will sell Sametime through its own channels. IBM already sells Cisco gear. Lotus Sametime provides policies that can disable Sametime's own web conferencing platform. Cisco

will insert its own MeetingPlace audio and web conferencing platform into Sametime. (Last year's big announcement between Cisco and IBM wherein Cisco would reprogram its unified client in Eclipse and basically use the Sametime UC client fell apart during the last year.)

➢ Nortel – Nortel will sell Sametime through its authorized channels. The company has already developed integration with Sametime and Notes for its telephony products. Nortel has developed an SOA version of its call processing software. This software, called the Nortel Agile Communication Environment, runs on an IBM

Jerome Joanny of ShoreTel updates WR's Andy Nilssen and Brent Kelly in the Lotusphere Partner's Showcase

System I server on top of IBM WebSphere. Lori McLean, GM of the Nortel/IBM relationship from Nortel said, "The Nortel/IBM alliance is as strong as the Nortel/Microsoft alliance, the Nortel/Microsoft alliance just gets much more media coverage." Lori also said that the Nortel/IBM alliance has produced more things of substance than the Nortel/Microsoft alliance. Note that the Nortel/IBM alliance is a multibillion dollar alliance as it involves networking gear, servers, telephony, as well as collaboration.

➢ Ericsson – Ericsson will integrate its MX-One telephony platform with Notes and Sametime.

➢ NEC will integrate its Univerge GW5000 gateway with Sametime to provide click-to-call capability from Sametime to NEC's telephony products. The NEC product manager at Lotusphere said that the GW5000 also integrates with Microsoft OCS and with NEC's own presence engine; consequently, it could serve OCS presence to Sametime and Sametime presence to OCS. I've never heard this before, and I question its accuracy. NEC did not say anything about this capability at the NEC analyst meeting in Dallas last November, and we were told about the GW5000 then.

➢ A very cool capability we will see in Sametime meetings in the future is a timeline that shows when everyone joined, when and what files were shared etc. This was done using an intuitive interface that would allow someone reviewing the meeting to easily find important meeting components.

Clearly IBM Lotus is on the move. It has products that are compelling and fit in the new Web 2.0 world. IBM is trying to gain a better position in the SMB market with new servers, software, and SaaS services. A few allusions to Microsoft were made. The bottom line is that these two companies are in a fierce competition in the Unified Communications space.

Lotusphere affords one the rare opportunity to have a quick breakfast
with well over 10,000 of your closest Lotus-centric friends

Conferencing & Collaboration Event Calendar	
WHEN & WHERE	**WHAT & WHO**
14 February; Canary Wharf, London	IP Video Expo (AV in the City)
26 February; London, New York, Boston, Washington D.C., Atlanta, and Amsterdam	Point Nine User Forum via multipoint telepresence session, hosted by Cisco.
8-10 April; Berlin, Germany	Wainhouse Research Collaboration Summit - Berlin
16-18 July; Boston, MA	Wainhouse Research Collaboration Summit – Boston
27 October, Boston, MA	Wainhouse Research CSP Summit