

Evaluation of the Genesys Meeting Center

Strategic Benefits of a Unified Audio and Web Conferencing Solution

FROST & SULLIVAN

Evaluation of the Genesys Meeting Center – Strategic Benefits of a Unified Audio and Web Conferencing Solution

Introduction

Although conferencing is a multi-billion dollar industry today - telecommuting, globalization, and the economic downturn have further escalated the market potential. Businesses of all sizes are stepping up to the next level: they are beginning to integrate web and video capabilities into their traditional audio conference calls. The following factors are driving conferencing today:

- ❑ Competitive pressures are increasingly demanding businesses to improve their real-time communication and collaboration capabilities so they can make rapid decisions.
- ❑ Organizations are quickly expanding their operations, distribution channels, and marketing strategies globally. This is especially true for technology companies that have not fared well in 2001.
- ❑ Telecommuting is rapidly increasing due to cost benefits as well as the growing need to leverage qualified resources that are geographically dispersed.
- ❑ Financial situations have forced many organizations to dramatically reduce business travel, creating the need to achieve immediate cost cutting/revenue generating results through technology implementation.

Many service providers have invested millions of dollars in the development of Internet-based call management features for their audio conferencing offerings and browser-based capabilities for their web conferencing services. While these advancements have furthered the overall conferencing experience for many customers, there is still room for improvement with regard to ease of use, security and management. These are all hindering factors to the adoption of enhanced and comprehensive conferencing solutions.

Genesys Conferencing believes it has filled these gaps with the launch of its Genesys Meeting Center Service. Genesys Conferencing is the first to market with a single platform that seamlessly converges audio and data. This enables the company to meet and exceed the current ease and efficiency standards that have been established in the industry. The Genesys Meeting Center's interface allows users to immediately launch a conference at any time, without reservation, and to completely control and manage the audio and/or Web conference from the desktop. Finally, security measures have been greatly improved, eliminating privacy as an element deterring the use of conferencing services.

Thus, Genesys has engaged Frost & Sullivan to evaluate its Genesys Meeting Center solution, gauge the market potential for an integrated audio and web conferencing service and examine its

competitive position in the global conferencing marketplace. Frost and Sullivan will identify the following:

- why organizations are adopting conferencing solutions
- the challenges end users have faced in utilizing audio and web conferencing services
- the benefits of a unified conferencing platform and Genesys' Meeting Center
- who is adopting enhanced conferencing applications
- features that differentiate the Genesys Meeting Center from competition

Why Conferencing?

Reducing Travel, Time and Costs are Major Decision-Making Factors

The web and audio conferencing markets are brimming with growth opportunities within the enterprise marketplace, educational institutions, and government organizations. The growing demand in these markets is built around the solid principle that conferencing saves time and resources while delivering a clear and concise method of group collaboration.

Genesys Conferencing evaluated the ROI benefits achieved by Huntington Travel with the implementation of Genesys Meeting Center. The customer needed to train 100 sales representatives on three new products and assessed the following alternatives.

Alternative 1	Alternative 2	Alternative 3
<i>A one-day corporate meeting in one location</i>	<i>Three product managers take a road trip to 20 sales offices across the U.S.</i>	<i>Use Genesys Meeting Center</i>
Travel Costs: Estimated \$60,000 to cover cost of airfare, hotel, meals and meeting facilities.	Travel Costs: Estimated \$40,000 to cover airfare, hotel and meals.	Service Cost: \$2,108
Soft Costs: 200 sales days lost.	Soft Costs: Delay in training entire team; 50 sales days lost.	Soft Costs: Loss of face-to-face benefits and one-on-one training.
Benefits: <ul style="list-style-type: none"> <input type="checkbox"/> Face-to-face rapport <input type="checkbox"/> On-site product demos <input type="checkbox"/> More interactive Q&A <input type="checkbox"/> Relationship building <input type="checkbox"/> Companionship. 	Benefits: <ul style="list-style-type: none"> <input type="checkbox"/> Face-to-face rapport <input type="checkbox"/> Role-playing <input type="checkbox"/> On-site product demos <input type="checkbox"/> More interactive Q&A <input type="checkbox"/> The ease of obtaining in-depth qualitative feedback from sales force. 	Benefits: <ul style="list-style-type: none"> <input type="checkbox"/> Tremendous travel cost savings <input type="checkbox"/> Product roll-out time significantly shortened <input type="checkbox"/> Quantitative feedback from sales force can be quickly and easily obtained using polling feature <input type="checkbox"/> New hires and employees who missed conference can use the playback function.

In recent years, conferencing services have gradually become a universally accepted alternative to business travel, while sustaining the effectiveness of corporate training and group meetings. Today's virtual conference room has been instrumental in building relationships and delivering cost effective communication between executives and staff, buyers and sellers, and teachers and students. Parties who are miles apart can now sensibly address the idea of group collaboration and team building.

The Growth of Telecommuting

Telecommuting is expected to takeoff for several reasons. The rapid expansion of Internet access enables organizations to hire the best staff, regardless of where they are located and provide them with the flexibility needed in modern families. Studies have indicated that two-thirds of business professionals are involved in some form of virtual work, and almost half the professional workforce has worked off-site at some point in their career. Even more striking is that the majority of businesses feel virtual workers can save their organization time and money.

Audio Conferencing Soars with On-demand Capability

In recent years, the utilization of audio conferencing has been transformed by the introduction of on-demand conferencing. On-demand conferencing provides customers with a new level of freedom and flexibility well beyond that of traditional conference calls, which required advanced scheduling and operator assistance. This new breed of conferencing also offers customers relief on pricing levels, as the average on-demand conference call is \$.08 per minute less than the average scheduled/assisted call - a savings that can make a significant difference to enterprise-wide conferencing bills.

On-demand conferencing currently represent approximately 33 percent of all audio conference calls, and is expected to reach nearly 78 percent of calls by 2007.

Web Conferencing Dramatically Improves the Value of Audio Conferencing

The wide availability of web conferencing services and software are shaping the next generation of conferencing. The ability to enhance and monitor audio conference calls can have a dramatic impact on improving communications in organizations. The application sharing, presentation, and data collaboration aspects of web conferencing have transformed the web into a virtual conference room readily available at any laptop or desktop computer.

When initially introduced, web conferencing services were used primarily for presentations within sales and marketing, training, human resources, and customer service departments. However,

as market awareness and adoption levels grow, web conferencing services are penetrating a full range of business applications. The collaborative aspects of web conferencing such as document collaboration, whiteboarding and guided web tours are also growing at a rapid pace.

End User Challenges

While many service providers offer audio and web conferencing services, they are generally not on the same platform. As a result, conferencing end users have faced the following obstacles when attempting to launch audio and web conferencing calls simultaneously:

- ❑ Billing and reporting complexity when two service providers are used.
- ❑ Difficulty to coordinate and manage web and audio calls simultaneously since they operate as different applications.
- ❑ Multiple points of contact when technical difficulties occur.

The recent rise in Internet-based call management features has propelled call efficiency and control to new heights. Question and answer, polling, call recording, and integration with Microsoft Outlook are among the newest features available through service providers. While these features have revolutionized the way audio conferences are taking place, they do lack the capabilities that are becoming an increasingly necessary part of corporate communication such as:

- ❑ Application sharing
- ❑ Whiteboarding
- ❑ Presentation applications
- ❑ Web collaboration – ability to push web pages to participants
- ❑ Desktop video

While other service providers do offer these capabilities, they are often not seamlessly integrated with their audioconferencing services.

Market Competition

Frost & Sullivan began its analysis of the Genesys Meeting Center by first examining the current offerings available on the market. Three primary vendor models were uncovered including major telecommunications providers, smaller conferencing service bureaus and web conferencing technology providers.

Most major telecommunications providers, also known as Interexchange carriers (IXCs), have offered audio conferencing services for many years. These service providers dominate the audio conferencing market due to the size of their networks, their huge subscriber base and their

marketing and sales power. However, this dominance has been shadowed by their limited competency in the web conferencing market, where they act as a reseller.

Several conferencing service bureaus typically have limited resources, but provide enhanced or premium audio conferencing services. These organizations are also implementing web conferencing applications, but again, primarily as resellers. In these situations, conferencing bureaus will form reseller agreements and partnerships with IXCs or web conferencing providers to offer their customers a total audio and data conferencing package.

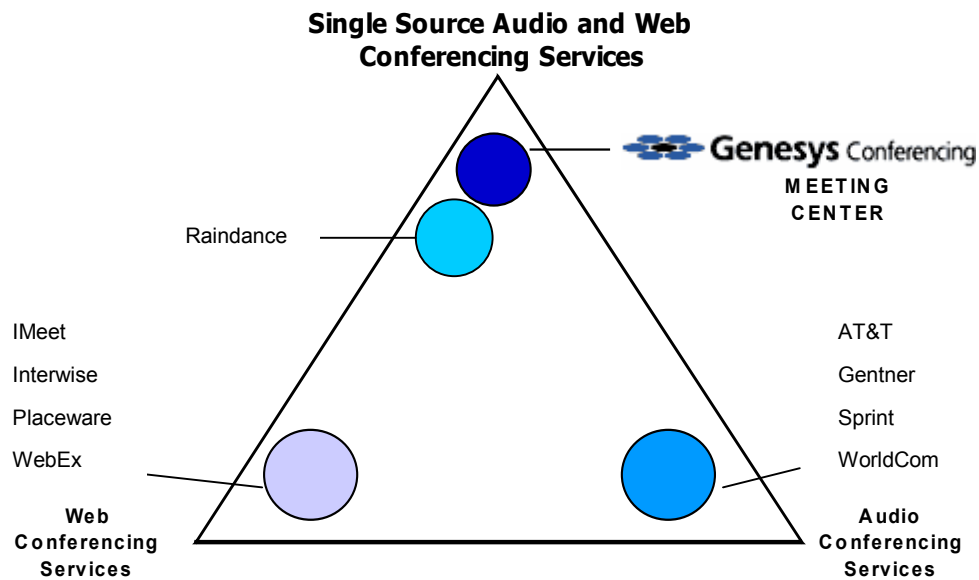
Web technology providers have recently entered this industry. Their services enable businesses to share and collaborate documents and/or meet over an IP connection, rather than a PSTN connection.

While these conferencing services have been sufficient in the past, there is a growing demand in the market for a single solution from a single service provider. This demand has developed from the lack of seamless integration, which often occurs when two separate providers are utilized to obtain complementary but distinct services. Potential problems include audio and data glitches and customer confusion as to which helpdesk to call when these problems occur. Additionally, customers may have multiple billing arrangements from both conferencing service providers.

The recent merger with Astound, well known for its web conferencing technology, and Vialog, known for its extensive reach in audio, web, and video conferencing, has given Genesys strong competency in every aspect of the virtual communication and collaboration market. These acquisitions have given Genesys the technical ability to improve its position in the audio conferencing market, and to offer a tailored data collaboration and web presentation tool to accompany its audio expertise.

One challenge Genesys Conferencing is likely to face shortly is the introduction of unified audio and web conferencing solutions by its competitors. Data and voice convergence is a primary goal for the major competitors in this marketplace. However, Genesys benefits from being first to market with this service, especially when combined with its global presence and its focus on the conferencing industry.

The chart below reflects Genesys' position with the launch of Meeting Center in 2001 as a unified conferencing service.



Source: Frost & Sullivan, 2001

Genesys' Meeting Center Differentiates Itself from Competitors

A Unified Application – Genesys Meeting Center

Genesys Conferencing is the first service provider to offer an integrated audio/data interface, whereby audio and web conferences can be managed through the same application. Frost & Sullivan believes there are many reasons why a converged conferencing solution provides greater efficiency and ease of use over traditional web and audio conferences:

- ❑ Business people can now completely manage all their audio and web meetings from one integrated interface, with all the tools that they require only a click away.
- ❑ Web and audio calls can be synchronized, making it easier for the moderator to visually see who's talking, when a participant enters or leaves a conference and as a result, if someone does not belong in the conference.
- ❑ The moderator can also monitor each participant's needs (i.e., when someone has a question or the presentation pace needs to slow down).
- ❑ The moderator also has the power to refuse entrance to certain participants, set-up breakout meetings within the conference call to avoid distraction in the meeting, and mute participants if necessary.
- ❑ Only one helpdesk is responsible for handling technical difficulties, shortening downtime when such issues occur.

- ❑ It is easier for organizations to manage the costs of conference calls since reporting can be available on-line on a daily basis, and billing is provided by one service provider for all conferencing applications.

Since the interface controls both web and audio functions, there is no need to switch between applications to manage a conference. The conference moderator manages and fully controls the multimedia conference by selecting conveniently located icons. Meeting participants have their own set of controls with which to communicate privately with the moderator or anyone else in the group.

These integrated controls include blast dial, a participant waiting room and sub conference room. There is also an audio status bar next to the assigned participant's name that identifies the active speaker and allows the moderator to manage the audio portion of the conference along with the web portion. Setting up a meeting has also been simplified through its comprehensive scheduling wizard with Outlook integration, RSVP and reminder for easy invitation management.

Other features provided by Meeting Center include the following:

- ❑ Surveys and polling functions
- ❑ Private chat groups
- ❑ Sub conference rooms
- ❑ Synchronized streaming media widens the scope of the Genesys Meeting Center and makes it a useful tool for event style conferences
- ❑ Archiving function allows for on-demand playback for future review, training purposes, and allowing those who missed the meeting to access all elements of the presentation.
- ❑ "On the fly" file transfer
- ❑ Document collaboration
- ❑ Whiteboarding
- ❑ Guided web tours
- ❑ Multiple levels of security including personal PIN codes, password protection, and SSL encryption.

The Genesys Meeting Center offers its users a consistent conferencing environment with which to conduct both audio and web conferences. A single source with which to launch and hold conferences enables true convergence of audio and data applications.

When leveraged across an enterprise-wide network, this consistency can deliver increased efficiency levels since it enables users to become comfortable with one desktop, regardless of conferencing service type.

Service Differentiation

The Genesys Meeting Center is backed by Genesys' global, fault tolerant and scalable network that leverages the company's worldwide presence in 18 countries. This is extremely valuable to customers located around the world knowing Genesys' 7/24 technical support is available to them from anywhere in the world.

Industry-leading Levels of Security Going beyond the industry-standard of password protection and SSL encryption, Genesys offers that ability to lock a conference room, perpetually have a complete view of both audio and Web participants and dismiss participants as required. Also, the Genesys Meeting Center has been designed to maintain strict firewall protection while still allowing collaboration over the Web. This is accomplished by requiring no participant downloads or signed applets in order to join a conference, distinguishing Genesys from its competitors who do require these.

Who is Adopting and Why?

The growing demand for conferencing services has come from organizations looking to improve the efficiency of internal and external communications, as well as those looking to save valuable time and resources associated with travel.

The primary adopters of web and audio conferencing services are:

- ❑ high technology companies
- ❑ financial services organizations
- ❑ pharmaceutical/healthcare
- ❑ professional services

Since internal and external communications are a key function of each of these business practices, the Genesys Meeting Center is a perfect fit for their conferencing needs. Below are examples of how it can be used for different applications:

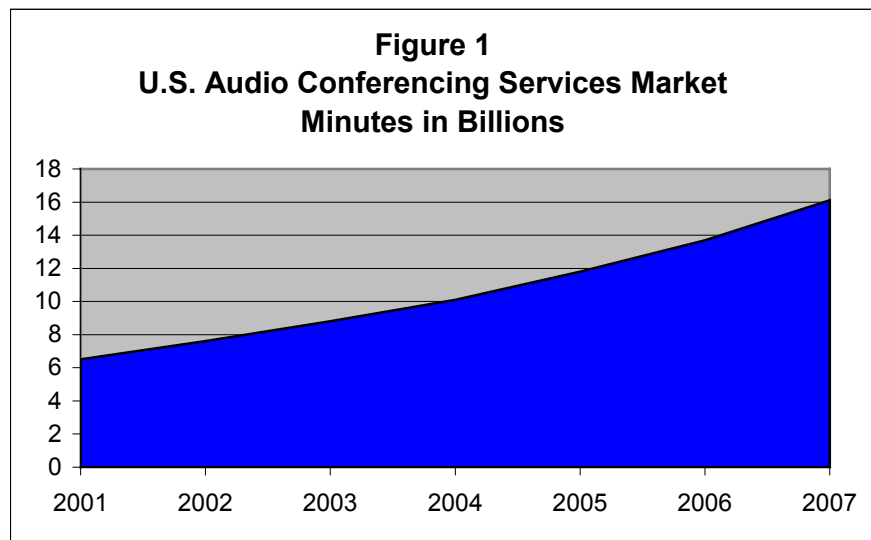
- ❑ Sales/Marketing Presentations – Sales and Marketing executives can now present with high impact multi-media slides. Ease of use is key to successful seminars, especially for technology companies, because a smooth professional conference call can have a very positive impact on customer's and prospect's perception of the company's capabilities.
- ❑ Training – the ability to collaborate on documents, participate interactively in exercises, and engage the subject matter experts who are delivering the training in Q & A is powerful in making the training sessions more effective. It not only improves the communication between participants and moderators, it also increases retention.

- ❑ Product demonstrations to potential customers - adding the visual element to conference calls can greatly enhance client communications. The ability to demonstrate software applications on-line can save consulting businesses a great deal of travel time and cost until sales leads become true prospects.

- ❑ Internal project team meetings – The ability to share and collaborate ideas and documents can greatly improve time to market, especially when talent is dispersed geographically or executives are travelling.

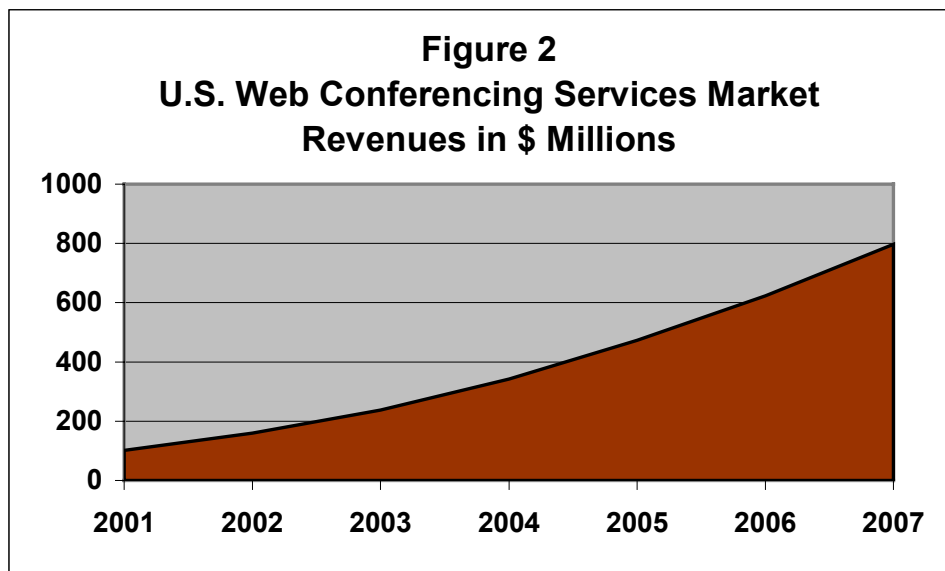
Conclusion

Frost & Sullivan strongly believes that the multi-billion dollar conferencing industry will continue to grow at significant pace as the use of collaborative tools such as Web conferencing increases, and on-demand conferencing proliferates. Figure 1 reflects the growth in audio conferencing minutes, which we expect to almost triple from 2001 to 2007.



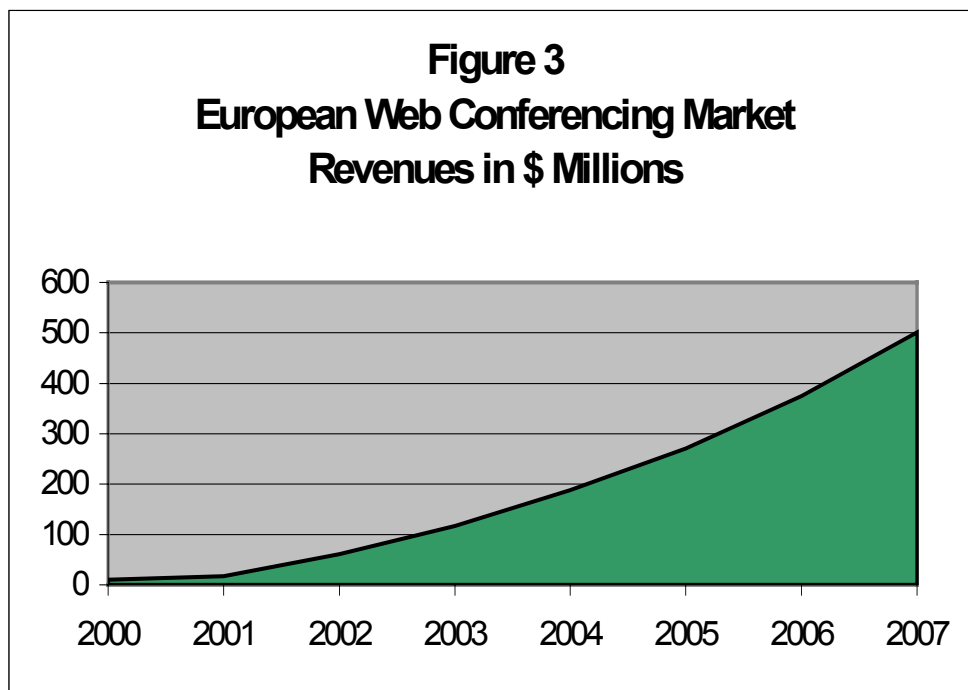
Source: Frost & Sullivan, 2001

Figure 2 reflects the web conferencing market potential through 2007 in the United States, where revenues are expected to double between 2000 and 2007.



Source: Frost & Sullivan, 2001

Figure 3 shows that dramatic growth is expected for web conferencing services in Europe, as conferencing becomes culturally accepted. Web and video conferencing are likely to have a tremendous impact in Europe since such calls are often much more effective and are perceived to be closer to face-to-face meetings than a traditional audio conference call.



Source: Frost & Sullivan, 2001

The Genesys Meeting Center addresses the growing industry demand for a fully integrated web and audio conferencing service. As the dawn of next era of conferencing ensues, the Genesys Meeting Center is in an optimal position to capture the growth opportunity for conferencing solutions.