Report

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Building a Video-First Culture in Your Business

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Unified Communications and Collaboration Is Shifting to Video

Most organizations today are now extended enterprises: global, networked companies comprising not only internal employees but also suppliers, partners, vendors and customers. The best of these dynamic, distributed organizations have a flexible structure designed to move quickly in the face of global competitive pressures. Highly structured, vertically siloed companies cannot respond to increasingly shorter windows of opportunity. Corporate project teams in extended enterprises need to be quickly assembled from disparate parts of the organization, often in multiple locations—even across wide geographic distances—and then disassembled and reallocated as the business requires. Decision-making processes and communications need to be distributed and dynamic.

To allow users in extended organizations to communicate, collaborate and share content with each other, organizations have deployed a variety of applications (see Exhibit 1). So far, however, organizations have not reached their full potential. Today's collaboration methods are still too difficult at a time when effective, real-time collaboration is critical to the business.

Exhibit 1: Unified Communications in the Extended Enterprise
Source: Yankee Group, 2011

How critical is it? The quality of the entire extended organization and how well each component collaborates with others in real-time are the basis for competitive advantage.

And yet, with enterprises' distributed, global nature, collaboration is now more difficult than ever. Unified communications and collaboration (UCC) improves the manageability and effectiveness of real-time communications, makes the organization more agile and responsive, and enables global problem-solving and new product deployment. But real-time communications is still limited: It cannot overcome time zone or scale challenges and cannot be captured effectively for analysis and improvement.

At the same time, the market for UCC has been continuously evolving over the past decade and stands on the precipice of another major shift. This transition will make UCC people-centric rather than technology-centric, and the key to this shift is video. Over time, video will eventually overtake voice as the primary communications medium for corporate workers. Organizations can jump-start this shift by understanding all the use cases for video, as well as how to integrate it into business processes and the work culture.

The Importance of Video

Video is often cost-justified by reduced travel costs. However, as organizations reap the travel benefits, the value proposition for video moves beyond cost savings to productivity, and even to agility and competitive advantage. Video events are available live and on demand, and they increase audience engagement. Critical decision-makers spend less time away from the office, while simultaneously increasing face time with clients, prospects or internal co-workers. Sales teams find that video-based follow-up calls and product overviews increase customer satisfaction due to increased responsiveness. With video, organizational communications are clearly conveyed directly to employees, wherever they are. Training can be "in-person" virtually and can be captured for broader sharing and on-demand availability. As a result of video, customers and employees are better informed and decisions are made faster with more accuracy.

Additionally, a number of horizontal use cases can enhance business processes. Examples include customer engagement, patient consultation, experts on demand, remote training and security. As video continues to mature, these use cases will give rise to the concept of a video-enabled business process.

Compared to voice-only calls, video helps people make better-informed decisions and take action faster. Meeting participants can read body language and facial expressions, and adjust their responses accordingly to address any resistance and/or confusion. Event participants are much more engaged, and they feel greater loyalty and trust as a result. When combined with social media capabilities for interaction (Q&A, polling, etc.), both speakers and participants report higher satisfaction.

E-learning initiatives now use video to quickly train workers or students in multiple locations at a fraction of the cost of on-site classroom training. Even more important than cost, however, is the fact that people retain more knowledge when information is presented visually. Based on interviews with users of video systems, Yankee Group estimates retention rates are 38 percent higher with video than with voice conferencing (see Exhibit 2). More information can be disseminated and absorbed through a visual medium than with audio alone.

Additionally, recorded video can be used for on-demand training for individuals that either missed the training session or want to repeat the session because they did not understand or missed something. Analytics can be integrated into the video to allow individuals to search and find content quickly.

Exhibit 2: The Benefits of Enterprise Video
Source: Yankee Group, 2011

Benefit	Result
Increased learning	Participants learn 200 percent more with video than with audio only
Improved rate of absorption	Video participants absorb information up to 40 percent faster than with voice communications
Augmented content retention	Attendees in video conferencing sessions retain 38 percent more information than with audio calls
Enhanced persuasiveness	Video increases the power of persuasion by 43 percent over audio or written communications
Increased impact of communications	Video increases the impact of communications by 67 percent, while audio increases the impact by just 23 percent

Challenges to Video Adoption

Despite its strong, multifaceted value proposition, video adoption has been challenging. Historically, video was considered overly difficult to use; for example, enterprises struggled with long lead times to set up video conferences. Many workers and corporate executives experienced video systems years ago when the "roll-around cart" with a dedicated video system and TV mounted on top was the norm. Someone from the IT staff would deliver it and get it working. From historical research, Yankee Group estimates it took, on average, 45 minutes to get such a system up and running. This lag caused significant user frustration, effectively dampening any desire to use the system.

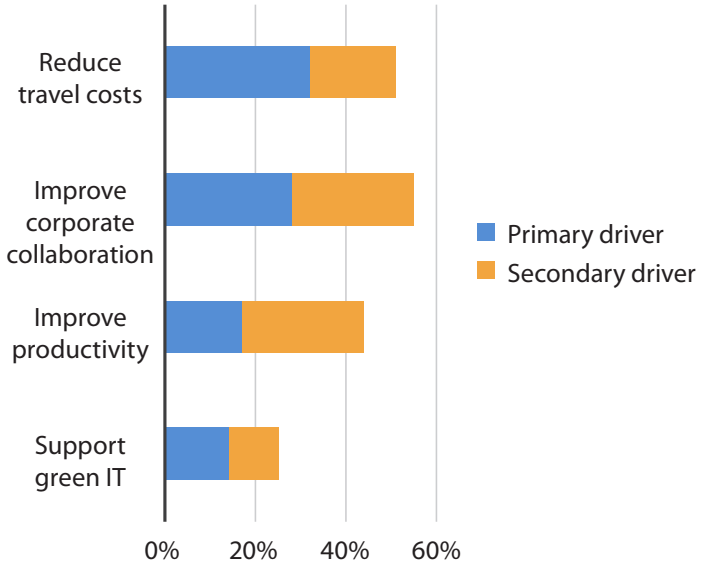
Historically, video has also been difficult for IT to provision and support. Typically, approaches included over-provisioning connections to avoid latency and jitter issues with real-time video, or limiting resolution—and therefore quality—for live and on-demand streamed video. Endpoints such as video conferencing systems, video phones, digital signs or physical security cameras were also difficult and expensive to provision, while ongoing management of endpoints was reactive and expensive. Network management was limited to prioritizing traffic but could not provide any additional insight into how applications performed on any part of the network.

The technology behind video has evolved greatly over the past five years to allow video to become a mainstream corporate tool for communications and content sharing. Most notably:

- **IP enablement makes video scalable and dynamic.** Older systems used ISDN as their communications method. In addition to being a slow technology, ISDN requires technical knowledge to configure and invoke the call. Today's IP systems can reach virtually anywhere with minimal configuration changes.
- **Video endpoints are affordable and ubiquitous.** We live in an increasingly social world where people take pictures and videos of themselves and post them to social networking or video-sharing sites in real time. Today, video cameras are available on mobile phones, laptops and more. Anyone who wants to use video can access it on virtually any device, anywhere there is a network connection.
- **Simpler user interfaces streamline the process.** Users of legacy video systems remember their huge, complex remote controls. By contrast, video calls today can be initiated via a graphical interface, touch screen or, in the case of telepresence systems, automatically.
- **Leading UCC solution providers now offer integrated video in their solutions.** This enables a more seamless experience as workers move between video and other forms of collaboration.
- **Tablets and smartphones make video mobile.** Now workers can use video no matter where they are.
- **Video is democratized.** Video endpoints used to be expensive, executive office systems. Today, video endpoints are available in many form factors. In addition to high-end immersive systems, we now have small office, home office, small business and personal systems. This means organizations can buy the right system for almost any situation.
- **Distribution technologies are more efficient.** Technologies that distribute and handle video to remote locations are more effective, meaning live and on-demand streamed video is higher quality and live communications are more satisfying.
- **Network technologies are smarter.** Smarter network technologies such as Medianet provide the ability to automatically provision endpoints, thereby reducing cost and time to deploy. They also offer much more sophisticated tools for dynamic endpoint management and media awareness/monitoring for video traffic and applications. This means much lower TCO, plus greater availability and performance for video.

The breadth and depth of video capabilities continue to increase at the same time video is moving from a high-end, niche technology to a mainstream tool that can be used by all corporate workers. Because of this, the value proposition continues to increase as well. As stated earlier, the historical value proposition centered on travel reduction, and that is still the most common initial catalyst for deployment (see Exhibit 3 on the next page). This is consistent with ongoing interviews Yankee Group conducts with IT executives about video. However, more mature deployments focus on enterprisewide value and using video to gain a competitive advantage.

Exhibit 3: Drivers of Enterprise Video
Source: Yankee Group's Anywhere Enterprise: 2010 US Unified Communications (UC) FastView Survey

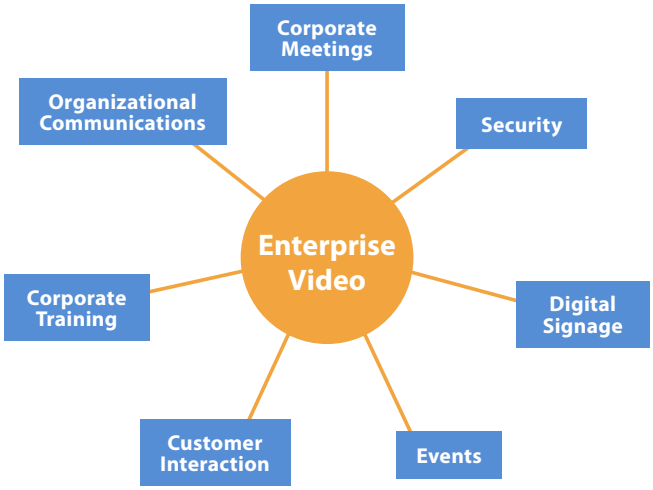


Seven Use Cases for Enterprise Video

To fully maximize the ROI for video, CIOs, IT leaders and corporate executives need to think past the traditional use cases for video such as video conferencing. Video is usually thought of as a tool to enhance real-time collaboration, and it does a great job of this—perhaps better than any other collaborative tool. But there are other ways enterprises can leverage this technology (see Exhibit 4 on the next page). Seven additional primary use cases include:

- **Corporate meetings.** This is the most common use case today. Each participant (or as many as possible) has a video endpoint. Everyone can see everyone else and not only hear what others are saying but see how they are reacting. This has the power to help end meetings faster with more accuracy. Based on end-user interviews, Yankee Group estimates 75 percent of meetings would progress faster with the introduction of video.
- **Corporate training.** Video can help improve training in two ways. First, through the use of real-time video, trainees can join a virtual classroom, whether they are located in the corporate headquarters or branch office or they are working from home. Often it is too expensive and disruptive for the business to fly everyone who needs training to a central location; video can solve that problem. Second, if the training session is recorded, participants who are unable to attend can watch a replay, hear questions and learn from the answers. Additionally, all participants can go back and review the training session to fill in any gaps in understanding.
- **Organizational communications.** Video can become extremely important to companies looking to update employees on the state of the business, issue a significant announcement such as a merger or acquisition, or articulate a new strategy. It's virtually impossible for a company of any significant size to get all employees to a single location for a company meeting. A video-based organizational announcement helps workers understand corporate direction and be more engaged.
- **Digital signage.** Digital signage is primarily used for marketing and advertising purposes. Any organizations currently using physical signs to market themselves or promote information can benefit from video-based signage. This could be a retailer or hotel advertising to its customers, a school providing information to students or even a company wishing to keep its employees informed of current events. Digital signage allows organizations to push any information to a video screen and then change it in real time. A retail organization can not only promote new items several times a day, but it can change messaging quickly based on seasonality. In addition to advertising and marketing, some corporations are also using digital signage for employee notification and other internal purposes.
- **Security.** State and local governments are increasingly using IP video-based security systems to monitor high-crime areas and ensure public safety. Companies can use the same technology to provide an extra level of security for large campus organizations or protect against theft in public areas.
- **Events.** A challenging part of hosting an event is determining a central location that will attract enough attendees. Providing video access to an event attracts a broader group of participants, including those who find it difficult to travel or take time away from the office.
- **Customer interaction.** Using video to interact with customers can be very powerful. It allows organizations to get the best possible expert in front of customers no matter where that expert may be. Customers receive better service and feel more valued through these enhanced interactions. Building a better customer experience is one of the strongest use cases for video.

Exhibit 4: Seven Use Cases for Enterprise Video
Source: Yankee Group, 2011



Building a Video Culture

Fully leveraging video means doing more than just implementing the technology and hoping people use it. That would be like an organization handing out cell phones to workers and hoping the company naturally becomes more mobile. Instead, organizations need to think about how to improve existing business processes with video and, at the same time, create new business processes enabled by video. Careful planning upfront ensures video becomes embedded in the corporate culture instead of being used by only a few technology-savvy individuals.

Building a video culture within an organization requires three steps: setting the groundwork, video-enabling existing processes and integrating video into the corporate culture.

Setting the Groundwork

- **Create a task force.** Comprising executives, IT leaders, line-of-business leaders and human resource leaders, the task force's mandate is to determine the corporate goals for video. Is the company trying to use video to educate remote workers better, foster internal collaboration or improve distribution of company information?
- **Understand the technology.** This means learning about the various video technologies and determining how they can be best utilized. For example, streaming media is ideal for providing a rich one-to-many experience, telepresence is great for remote meetings, and desktop video is a great tool for spontaneous interactions. This step helps organizations better allocate their video investments.
- **Start small.** Begin with small pilot groups to understand user behavior challenges. Starting with a modest deployment helps IT leaders not only understand any objection to the technology or barriers to broader utilization, but also determine ways such barriers can be overcome. Problems and solutions are usually more easily uncovered in a controlled environment versus a companywide rollout.
- **Promote consumerization.** Many newer consumer devices such as laptops, smartphones and tablets are video-enabled. When workers use these as part of their business tool kit, they tend to create a viral effect.

Video-Enabling Existing Business Processes

- **Determine the business processes best suited to video.** Look for processes in which decision-making takes a long time or requires input from multiple sources.
- **Rebuild existing processes with video in mind.** Instead of simply bolting video onto the process, take time to understand the individual steps, where optimization is needed and how video could improve it.
- **Create new processes around video.** With video, organizations can significantly increase their capabilities. Consider how a process may work if local experts working at various locations are available and can join a meeting by video. Perhaps a bank could implement a new type of investment service because it has a group of experts available via video to even the smallest branches.
- **Consider all seven video use cases.** Although some use cases may have more obvious appeal in certain industries (e.g., digital advertising in retail or security in government), almost every organization can benefit from all seven. IT leaders need to work with line-of-business managers to understand how best to leverage every technology that falls under the broader video category.

Integrating Video Into the Corporate Culture

- **Track and measure the benefits.** Understand the baseline, or where the organization was before a video-enabled process was put in place, and then measure the impact. If a retailer uses digital signage for advertising, is it driving increased sales for the marketed items? Are decisions being made faster? In addition, measure the level of employee satisfaction through company surveys.

- **Drive usage from the executive ranks.** Any deployed technology will have greater uptake if company leaders use it. A CEO who addresses the organization through video will, in turn, drive his or her direct reports to address their organizations through video. That will drive the behavior downward.
- **Create incentives to drive usage.** For example, cut travel budgets or reward voluntary cuts as video conferencing is deployed. Create a reward system for employees who find unique ways to use video. Video is sticky and when people use it, it becomes viral. The key is to find creative ways to get employees to use it.
- **Consider video a strategic technology, not a tactical one.** When considering a video solution, think about its use case now and over the next three to five years. Make video a strategic initiative that can be leveraged for many years, not just for an immediate, tactical problem. Organizations need to think about video first instead of as an afterthought.

What to Look for in a Solution Provider

Improved technology, ease of use and a tough macro environment are all contributing to drive the demand for video to levels never seen before. Video can now be leveraged in many different ways to provide value to the organization. However, the choice of which solution provider to use may not be obvious. Additionally, how to best use a service provider bears serious consideration. The possibilities have multiplied in recent years: network providers, managed CPE, fully managed services and cloud offerings are just a few of the choices available today.

IT decision-makers should consider the following evaluation criteria:

- **Solution breadth.** Choose a solution provider that can offer a complete video solution, not just a few products. This will ensure your organization can deploy the right technology at your own pace.
- **UCC integration.** While it's true that video is an important collaboration tool, it isn't the only tool. Having video integrated into a UCC suite allows workers to collaborate using the tool of their choice in mixed-mode environments.
- **Network integration.** Video quality is highly dependent on the network. Network-integrated solutions provide a better user experience than products that run over top of the network.
- **Ease of use.** The difficulty of using video solutions has been one of the top barriers to adoption for years. Choose a solution that provides a high-quality, simple interface. Additionally, the solution should be integrated into the e-mail and calendaring programs for ease of scheduling.
- **Innovation track record.** Today, video is evolving faster than at any other time in history. Choose a solution provider with a long history of innovating products, technology and standards. This will ensure your implementation will remain near the leading edge of technology.
- **Broad customer base.** Select a solution provider with a large customer base and a broad list of customer references. This will provide best practices and practical guidance on how to fully leverage the solution.

Conclusion and Recommendations

After decades of being a niche technology, video has arrived as a mainstream corporate productivity tool. To fully leverage video technology, IT and business leaders need to consider all common video use cases, determine the starting point and short- and long-term goals, and build a video culture within their organizations to ensure success. Building a corporate culture that thinks video first allows companies to realize a return on the investment now and to continue to reap the benefits of video years from now. To get started, Yankee Group makes the following recommendations:

- **Develop business-related benchmarks and key performance metrics.** Video's business impact depends on the organization's ability to correlate usage with productivity gains. Develop key performance metrics around specific processes, insert video into the process and then measure the metrics at a later date to determine the impact.
- **Democratize video within the organization.** Video can be deployed on a variety of dedicated systems but also over tablets, PCs, laptops and IP phones. Find ways to make video ubiquitous within the organization and allow any user to talk to any other user over video.
- **Start the education process around the seven use cases now.** Video is becoming mainstream in many organizations. Those that delay will be forced to play catch-up and risk being consistently beaten to new market opportunities.

About the Author

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Zeus Kerravala, senior vice president and distinguished research fellow, leads the Research Council and is chartered with the responsibility of providing thought leadership to the research organization. Comprising senior research leaders, the Research Council provides outreach to clients and the broader Yankee Group community, as well as ensures that the company's research agenda addresses the needs of business leaders. Kerravala drives the strategic thinking of the research organization and helps shape the research direction. Much of Kerravala's expertise involves working with customers to solve their business issues through the deployment of infrastructure technology.

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