

Camarillo firm riding video conferencing wave

By Allison Bruce

Wednesday, January 20, 2010

The convergence of advances in technology with business interests, including cost-savings, environmental sensitivity and economic pressure, has pushed video conferencing toward more widespread use.

Advances that make the experience more user-friendly and affordable are prompting a growing number of businesses to try meetings through computer, television and even cell phone screens. And it's an area expected to grow as companies seek to operate more efficiently.

Frost & Sullivan, a firm that tracks several industries while working with companies on growth strategies, forecasted in 2008 that video conferencing would increase by about 13 percent from 2009 to 2014 in North America.

Krithi Rao, an industry analyst with Frost & Sullivan, explained that the emergence of HD video conferencing has started to improve the experience, with users no longer having to deal with the grainy images of the past. Skype, YouTube and other video applications have changed how consumers associate with video, which is influencing business adoption. And, as businesses cut down travel and raise environmental concerns, video conferencing provides a good alternative, she said.

Need, technology create profit

The past 12 to 24 months have driven growth in the industry and at Providea Conferencing LLC in Camarillo, said Todd Luttinger, president of Providea. Even in a tough economy, the company had growth in the mid-20 percent range in 2009, "which we're ecstatic about," he said.

"This is a perfect storm of a need on the user side coupled with a dramatic improvement in the technology that says to companies, 'We can fulfill our requirements with this technology now,' " he said.

Providea has grown each year since opening in 1999, but, Luttinger said, many companies made modest investments, creating modest growth. Dramatic improvements in technology and networks are bringing more businesses on board, he said.

It helps that large technology companies such as Cisco have made recent acquisitions in video conferencing equipment companies, which validates the space as well, he said.

A wider range of pricing options also is helping video conferencing become more widespread. Interest is growing on the lower and very upper end of the market, Luttinger said.

On the lower end, HD systems for small groups or personal use are available for about \$2,000, making the approach more affordable for small businesses, branch offices and even home offices.

At the high end, "telepresence" systems are offering an alternative to flying a group of high-level executives around the world for meetings. Telepresence technology creates an immersive environment, Luttinger said.

"You very much feel like the people on the other side of the screen ... are on the other side of the same table in the same conference room," he said.

Equipment costs likely to drop

While a room equipped with this technology can cost in the six-figure range, there are cost and time savings when senior executives aren't flying to various locations, he said.

Prices are expected to push lower, driving even more adoption.

There also are different options, including investing in a system targeted at a business, using a personal software program such as Skype and renting time on a video conferencing system.

At River Park Executive Suites in Oxnard, a room is set aside for six to eight people to do video conferencing on a big-screen TV. Users pay a scheduling fee and for time using the video conferencing system, thereby avoiding the expensive upfront costs of purchasing their own equipment.

Mary Squire, president of River Park Executive Suites, said she's had people hold video conferences with China, saving money on traveling. The most common uses are for legal depositions and job interviews, she said.

"I really do feel like it's the wave of the future," Squire said.

The River Park Executive Suites is an affiliate of Affinity VideoNet, a company that matches clients with locations for hourly video conferencing.

Out-of-office meetings possible

Leah Weston, director of affiliate relations for Affinity, said that while some clients might have a video conferencing setup at their offices, they need a way for their remote conference participants to join in. Or an executive who is interviewing for a job might want to do a private video conference away from the office.

Weston said exposure to video conferencing through TV shows, such as "CSI," gives people more awareness and drives more use, as do younger workers who are more comfortable with the technology.

Luttinger noted there still is a perception that video conferencing cannot replace an in-person meeting. Connectivity and ease of use also remain adoption barriers for some, he said.

"In many people's minds, and there's truth to this candidly, it's still not like picking up the telephone and making a call or sending an e-mail to someone," he said.

Rao said the high prices of hardware, the load that video puts on a network and the interoperability of setups remain challenges.

But, Rao said, work is being done to change that. Vendors are offering equipment at different price points and are researching technology that will use less bandwidth.

She said advances in desktop video software will have a huge effect on the entire video conferencing market, since much of that software is still in the early stages.



© 2010 Scripps Newspaper Group — Online