



## White Paper

# Seeing Is Believing—Enterprises Increasingly Recognize Cloud Video Conferencing as a Must-Have Technology

Across a range of industries, “going” to work is becoming a relic of a bygone era. In addition, the old model of companies recruiting talent locally and, in some cases, paying to transplant highly skilled workers from distant locations is also no longer the norm. Instead, distributed workforces increasingly collaborate among themselves and with customers and partners, using a mix of traditional voice calling and new communications technologies. Gallup’s most recent Work and Education poll<sup>1</sup> found that 37 percent of US workers say they have telecommuted, while another research group predicts 60 percent of today’s office-based employees will work remotely by 2022.<sup>2</sup>

According to James Ware, Executive Director of the Future of Work Institute, a research and advisory firm that helps companies create flexible workplaces, we are witnessing “a basic transformation in what matters and how value is created.” And as the economy transitions to a more knowledge-based model, talent has become the primary source of economic value in many industries. This includes linked groups of specialists, such as global engineering teams. Enabling this talent to collaborate effectively—across town or across an ocean—represents one of the biggest challenges facing today’s CIOs. How businesses sell their products and services is also transforming as companies look for ways to deepen customer relationships and penetrate global markets without the cost and employee downtime associated with travel.

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**— Gallup Annual Work and Education poll**

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<sup>1</sup>Gallup, Gallup’s annual Work and Education poll, September 2015

<sup>2</sup>PSFK Labs

In the first phase of this transformation, email and conference calls helped to hold together the fabric of distributed workforces. However, these technologies fall short as an effective stand-in for the traditional in-person meeting. For example, some studies have found that up to 90 percent of human communications relies on non-verbal cues.<sup>3</sup> Salespeople often call this “reading the room.”

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There was a brief period of excitement around new technologies like telepresence, which some companies promised would fill this void. However, these premise-based systems had their own shortcomings—namely cost, complexity, and a lack of interoperability. They also lacked capabilities to easily bring mobile workers into the so-called immersive collaboration. As a result, video conferencing and telepresence have not become as widely adopted as web meetings and conference calls.

Enter the cloud. Cloud-based enterprise video conferencing offers nearly the same quality of these big iron telepresence systems, but at significantly lower cost and with greater scalability. The cloud model also fits the needs of today’s IT leaders, who want to spend less time “keeping the lights on” and more time adding value to the business. Cloud-based systems do not require extensive system integration, as they are typically plug-n-play—all you need is an IP connection. This key advantage combined with low cost and easy adoption of video conferencing as a cloud service makes it a key enabling technology for accelerating digital transformation in sectors such as manufacturing, banking, healthcare, education, energy, retail, and hospitality.

These same qualities—plus integrations with business productivity apps and other communications features—also allow IT departments to fundamentally change and drive the business by supporting new and innovative use cases. Examples include video-enabled customer engagement, digital classrooms, remote medical diagnosis, remote customer support, and remote monitoring and trouble-shooting of industrial systems, such as refineries or oil production platforms.



<sup>3</sup>Frost & Sullivan, Growth Opportunities in the Video Conferencing Market

# Video conferencing has become a pillar of enterprise communications

All of these value propositions explain why IT leaders—and the C-suite—are beginning to view video communications as a necessity. According to Frost & Sullivan, the total cloud video conferencing market is on a high growth trajectory and is forecast to grow at a compound annual growth rate (CAGR) of 20.7 percent, to reach \$890 million by 2020. Seat license shipment CAGR on the other hand is forecasted at a whopping 33.5 percent in 2020 that will extend the reach to a broad set of users.<sup>3</sup>

This white paper provides insights into how deploying a cloud communication system can provide maximum flexibility and return on investment (ROI), as well as significant soft ROI such as improved productivity, access and retention to talent, better sales results, stronger teams, and faster, better decision making.

## Happier, more-effective employees

Over the years, video conferencing vendors have often cited the obvious benefit of reducing travel costs, and some vendors even offered calculators to show customers how much they could save by switching from in-person to virtual meetings. Frost & Sullivan research shows that when air travel is involved, business trips average \$1,000 per person; and even when employees drive to meetings, the cost can hit many hundreds of dollars.

However, as the market has matured, companies recognize that reducing travel costs is not the major benefit of video conferencing. For example, IDC has pointed out that the technology also eliminates the secondary impacts that excessive traveling, particularly over long distances, can have on employees, such as fatigue, stress, and poor health. By not traveling, employees were said to be more productive and happier as they spend less time in transit and more time on tasks that add value to the business, such as pursuing new leads.

## Enhanced global collaboration and market penetration

Another ROI benefit that is not as easy to calculate is the enhanced collaboration and market penetration capabilities that video conferencing brings to multinational businesses. Today, more and more companies are taking advantage of the expertise—often at lower cost—that exists in far-flung locations, such as using global teams for engineering and product design. Global businesses can also use video conferencing to quickly and cost-effectively seize opportunities in new, fast-growing markets around the world. Trends like these are driving the demand for more cross-border and cross-cultural collaboration, and adding video to this collaboration significantly improves the quality of communications while helping to overcome language and cultural barriers.



## Better employee productivity

By enabling people to see everything from facial expressions to body language to whiteboards, computer screens, and other shared context, video conferencing increases understanding. For example, a recent study by the Baylor College of Medicine<sup>4</sup> shows that visual cues help people understand what's being said six times better than speech alone.<sup>5</sup> Consequently, when combined with shared online web presentations, integrations with file sharing and other business productivity apps, and other capabilities, video conferencing can be even more effective than in-person meetings, allowing participants to work on documents in real time and leave a meeting with new knowledge and clear action items.

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**– Baylor College of Medicine study**

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## Bottom line benefits, such as closing more sales deals

In order to drive the topline revenue that is so critical to a company's bottom line, sales and marketing professionals need the latest technologies to reach more targeted audiences, expand their global footprint, generate more leads in less time, and reduce cost per lead. They also need to deepen relationships by communicating with customers on a regular basis, while keeping travel time and costs down.

Video conferencing can meet these needs by enabling salespeople and marketers to identify and target prospects and clients regardless of where they're located—and then meet with them anytime in a virtual meeting environment. Combining web meetings with video conferencing makes it easy to create targeted campaigns, qualify leads, analyze effectiveness, and foster collaboration with sales teams and the company's lines of business.

By eliminating the time required to set up a site visit and travel to a location, video conferencing also makes it easy for salespeople to "visit" customers more frequently. Video provides the context and visual cues to enable more effective sales calls. This also offers the potential to improve sales results by solving customer issues remotely and strengthening relations, while saving project time and costs.

<sup>4</sup>Baylor College of Medicine, Visual Cues Help People Understand Spoken Words

### Stronger teams and more effective hiring and retention

Many of the advantages already discussed, such as reducing the need for travel and increasing the in-person sense of understanding through non-verbal communications, also make interviews more personal and allow hiring managers to pick up on cues not available without video.

After hiring, video conferencing aids retention by helping to make remote workers feel part of the company. It can also create stronger teams by eliminating the anonymity of voice alone because now team members share the same visual context of a meeting room, enhancing the sense of a working group. By eliminating the distraction and lack of attention common to phone conferencing, and by allowing the team to share relevant visual material such as screens and whiteboards, it also allows these teams to reach better decisions more quickly.

## Benefits of a cloud-based video conferencing solution

Next-generation cloud-based enterprise video conferencing, such as RingCentral Meetings, helps organizations reap the benefits of video conferencing. At the same time, it overcomes the problems of fixed infrastructure systems for traditional telepresence-type setups that have previously limited widespread adoption.

### Better ROI and lower cost

RingCentral Meetings delivers virtually the same features and quality of expensive on-premise systems while providing the cost-savings and simplicity of an all-in-one cloud solution. In addition, because it is an IP-based system, customers can leverage investments in their existing tools and have a wider choice of new tools.

RingCentral Meetings provides the power to conduct HD video conferences and screen sharing as part of a complete business communications solution. Employees can hold face-to-face meetings in high definition and share screens or documents with anyone, anytime, anywhere. As part of a complete unified communications as a service (UCaaS) cloud offering, it empowers employees to connect with clients and enable collaboration between teams across locations—as if they're all in the same conference room. Users experience high-definition video and audio with rich details that enable effective business meetings, enhance team collaboration, and drive sales.



## Easy-to-use telepresence capability

The unique RingCentral Rooms™ add-on capability for RingCentral Meetings makes it fast and simple to set up video-enabled conference rooms that rival expensive on-premise telepresence environments. Because it is based on cloud technology and IP standards, RingCentral Rooms offers the ability to mix and match best-of-breed equipment. Unlike proprietary premise-based systems, it is easy to set up a room using off-the-shelf hardware at only fraction of the cost.



Attendees can participate in a meeting from an immersive collaboration conference room enabled by RingCentral Rooms with easy tap-to-start from an iPad® controller. It is also easy to bring remote attendees in to the virtual meeting room by linking to their mobile smartphones or tablets running the RingCentral Meetings app. Plus, the cloud-based architecture eliminates fumbling with hard connections and the need to address compatibility issues such as hard connectors and cables.

## Features and benefits

- Hold HD video conferences from offices, homes, hotels, airports or any location anywhere in the world
- Invite up to 50 people—colleagues, project teams, clients, partners—to a meeting
- Connect from anywhere around the world using any computer (PC or Mac®), tablet (iPad or Android™), smartphone (iPhone® or Android), or RingCentral Rooms video conferencing room system
- Interoperate with legacy H.323/SIP telepresence room systems with RingCentral Room Connector™
- Hold in-depth training with video presentations and office docs
- Share presentations, whiteboards, websites, and files from local and cloud storage like Box, Dropbox™, Google Drive™, and OneDrive
- Start or schedule an online meeting directly from Microsoft Outlook® with just a click, and instantly sync with the RingCentral Meetings app
- Record meetings and playback and share recordings with anyone
- Grow sales by reaching global customers, instantly turning sales calls into demos, giving more effective online presentations, showing customers working products and prototypes, etc.

## Conclusion

For many years, the widespread adoption of telepresence and video conferencing has been hindered by the cost and complexity of on-premise systems. Now the cloud changes all that with affordable high-quality systems that make it easy to initiate HD video conferences or set up telepresence rooms. The RingCentral platform is built with mobile workers in mind, so joining an HD video meeting using a mobile device is easy, and participants can experience all the features of desktop users or room attendees. And because cloud UCaaS systems like RingCentral Office are based on IP standards, it is easy to set up and join meetings and leverage existing IP-based equipment or freely purchase best-of-breed tools.

All of this helps organizations reap the many benefits of video conferencing, such as reducing travel costs, building more cohesive teams, conducting interviews remotely, and increasing sales and deepening customer relationships by facilitating more frequent meetings. Video conferencing offers the potential to eliminate frequent business travel without losing the important context of meeting in-person, such as non-verbal cues. It can also boost productivity by bringing together remote teams and ensuring better, faster collaboration—without the wasted time and fatigue caused by business travel.

## About RingCentral

RingCentral, Inc. (NYSE: RNG) is a global provider of cloud unified communications and collaboration solutions. More flexible and cost-effective than legacy on-premise systems, RingCentral empowers today's mobile and distributed workforces to be connected anywhere and on any device through voice, video, team messaging, collaboration, SMS, conferencing, online meetings, contact center, and fax. RingCentral provides an open platform that integrates with today's leading business apps while giving customers the flexibility to customize their own workflows. RingCentral is a leader in the 2016 Gartner Magic Quadrant for Unified Communications as a Service Worldwide for the second consecutive year. RingCentral is headquartered in Belmont, Calif.

For more information about the RingCentral video conferencing solution, visit [ringcentral.com](http://ringcentral.com).