Web Conferencing

Real-Time Collaboration
Solutions By

PLACEWARE®
A Microsoft® Company

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June 19, 2003

Agenda

- Why Web Conferencing?

- Market Overview

- Applications of Web Conferencing

- ROI of Web Conferencing

- Architecture / Design Center

- Summary

Meetings – The Medium for Business

SUNDAY	MONDAY	TUESDAY	WEDNES		FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

Sales
Closing a Deal

Marketing
Holding a Press Interview

eLearning
Getting Up to Speed on a New Product

Collaborative Meetings
Developing a Product

Events
Communicating Your Vision to Wall St.

Meetings Drive Business Results

**Better Meetings =
Better Results**

- **Faster Time to Market**
- **Competitive Advantage**
- **Customer Satisfaction**
- **Employee Productivity**
- **Increased Revenues
  and Profitability**

Events
Communicating
Your Vision
to Wall St.

Marketing
Holding
a Press
Interview
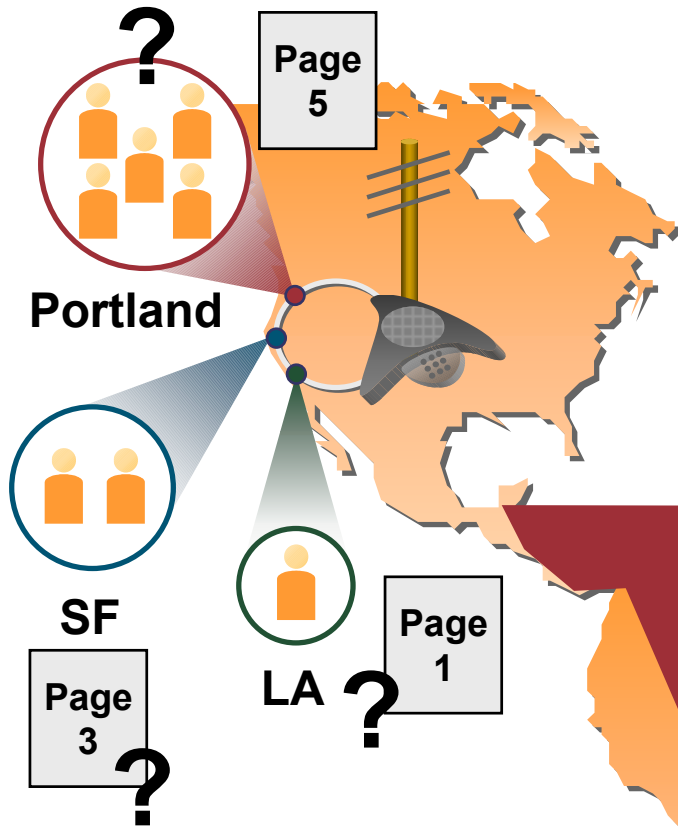
**Collaborative
Meetings**
Developing
a Product

Sales
Closing a
Deal

eLearning
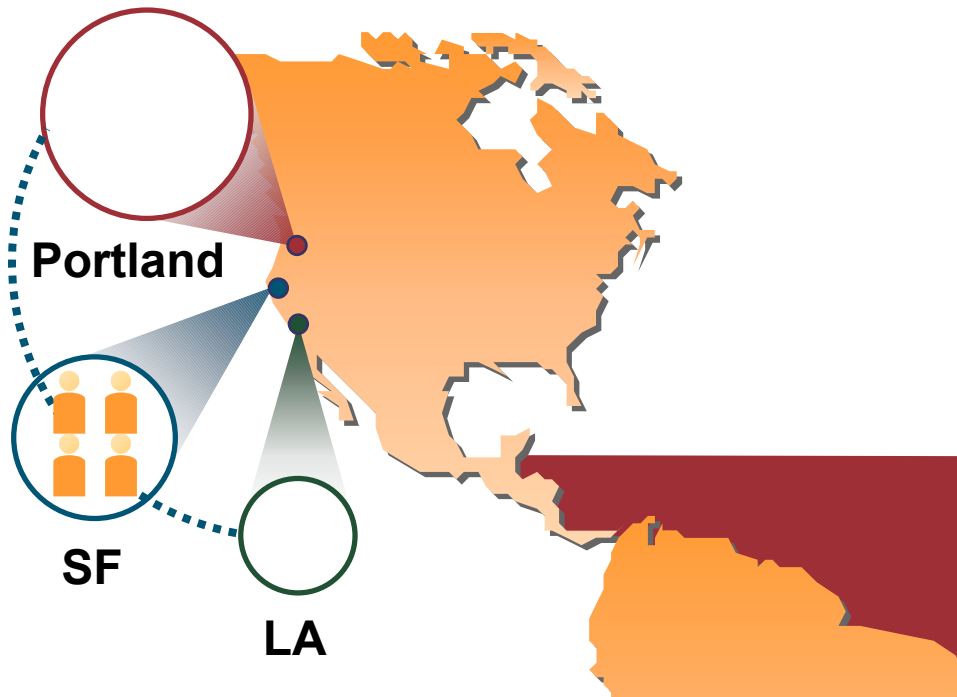Getting Up to Speed
on a New Product

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Alternatives: Conference Call

Page 5

Portland

SF

Page 3

LA

Page 1

The Ineffective Conference Call

+ Cost Effective
− Time Wasted on Logistics
− Leader Out of Control
− No One's on the Same Page
− Can't Collaborate

Alternatives: In-Person Meetings

Portland

SF

LA

Airfare x 4 = $2,000
1 Day Out of Office = $4,000
Meals, Transport, etc. = $350
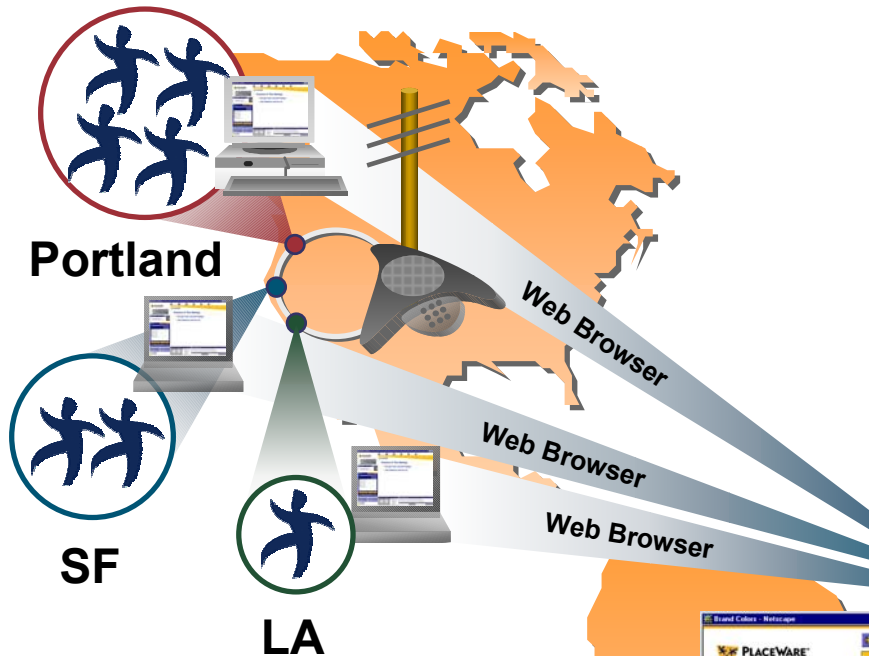Total for a 2-hr Meeting = $6,350

The Inefficient In-Person Meeting

+ Effective
– Inconvenient
– Wasted Time
– Prohibitively Expensive
– Travel Often Unnecessary

The Better Alternative

Web Conferencing

Portland

SF

LA

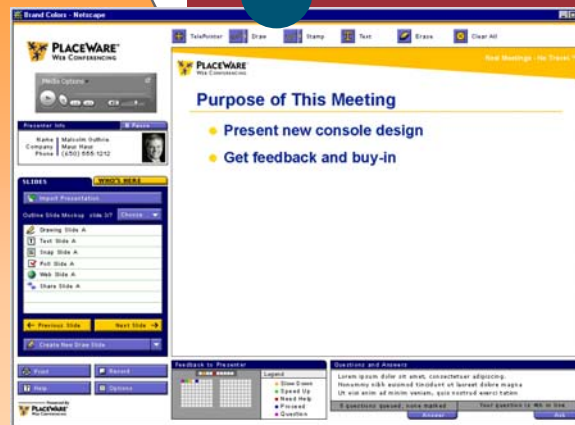Web Browser

Web Browser

Web Browser

+ **Productive**
  - More Effective than a Conference Call

+ **Efficient**
  - 1 Click to Schedule
  - 2 Clicks to Start a Meeting

+ **Cost-Effective**
  - Save $1,000s

Purpose of This Meeting
- Present new console design
- Get feedback and buy-in

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What is Web Conferencing

Web Conferencing is an interactive communications medium

Share and exchange knowledge with anyone

Using only a Web browser and a phone

Why Web Conferencing

- Ongoing Reason: Cost Savings
  - Travel Cost
  - Traditional classroom training costs, etc.
  - Capital Expense

- Longer Term Reason: Do More with Less
  - Improve Productivity, Efficiency
  - Generate More Revenue with Reduced Cost
  - Increase Marketing / Communication Effectiveness
  - Reduce sales cycles
  - Gain Competitive Foothold

A Natural Evolution

Data

Hard Copy

Fax

Electronic Media

Email

Manually-Placed Phone Conference
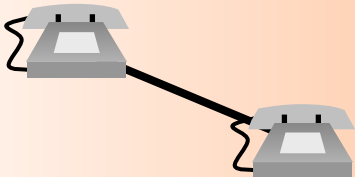
Audio Conferences through 3rd Parties

Audio
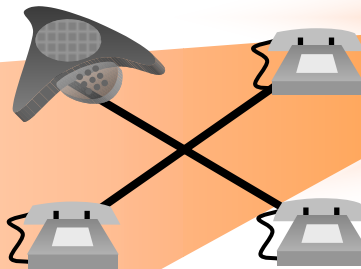
Convergence of Data and Audio

Market Overview

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Web Conferencing Taking Off

$427 — 2002
$638 — 2003
$881 — 2004
$1,174 — 2005
$1,480 — 2006
$1,807 — 2007
$2,198 — 2008

$ Millions
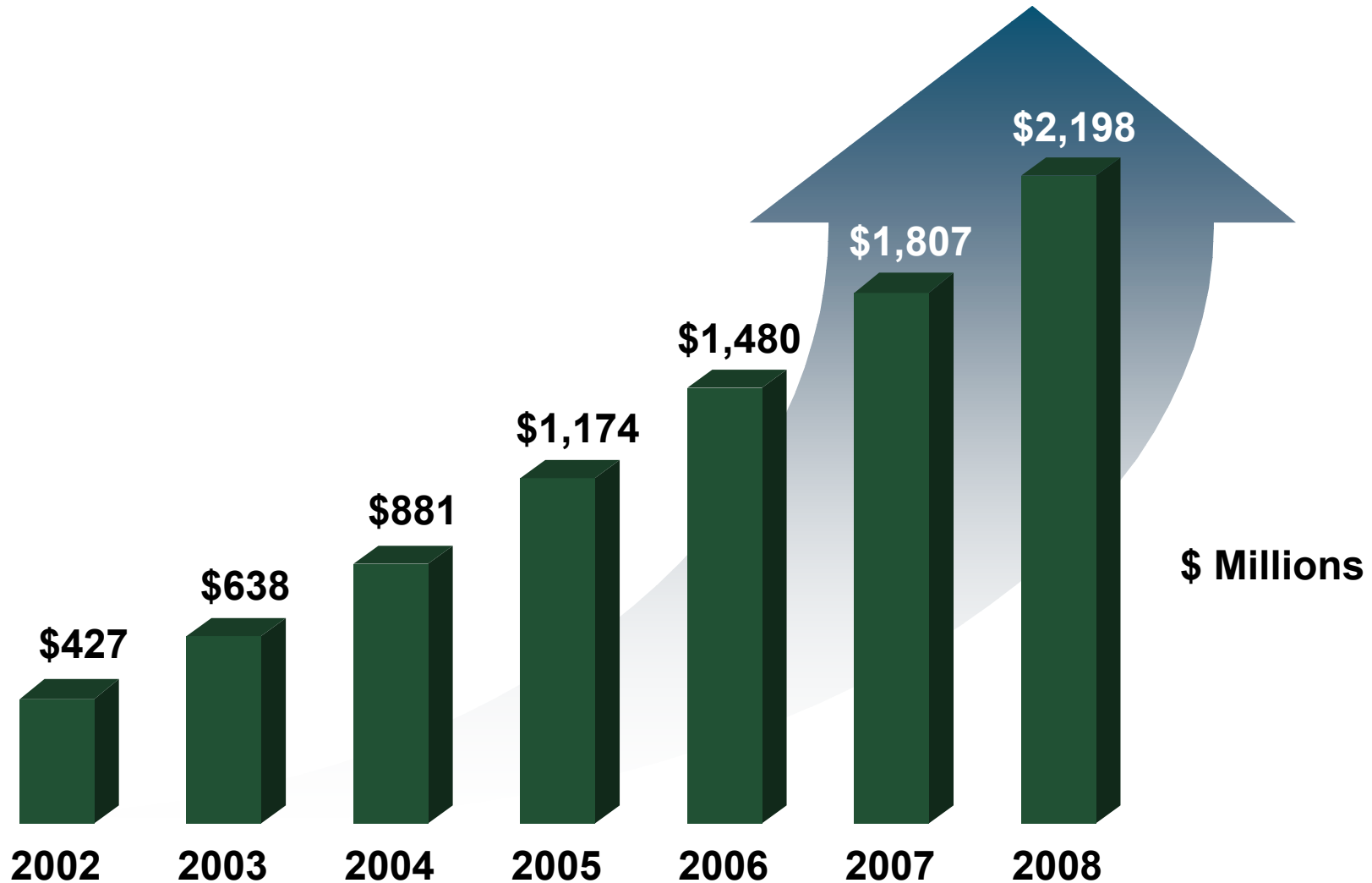
Source: Frost & Sullivan, 2002

Key Drivers
Time To Market
Increase Effectiveness
Save Money
Extend Reach
Workplaces
Transform Communications

Reduce time & effort to collaborate

Transform the business

"Better than being there"

Boundary-less virtual places
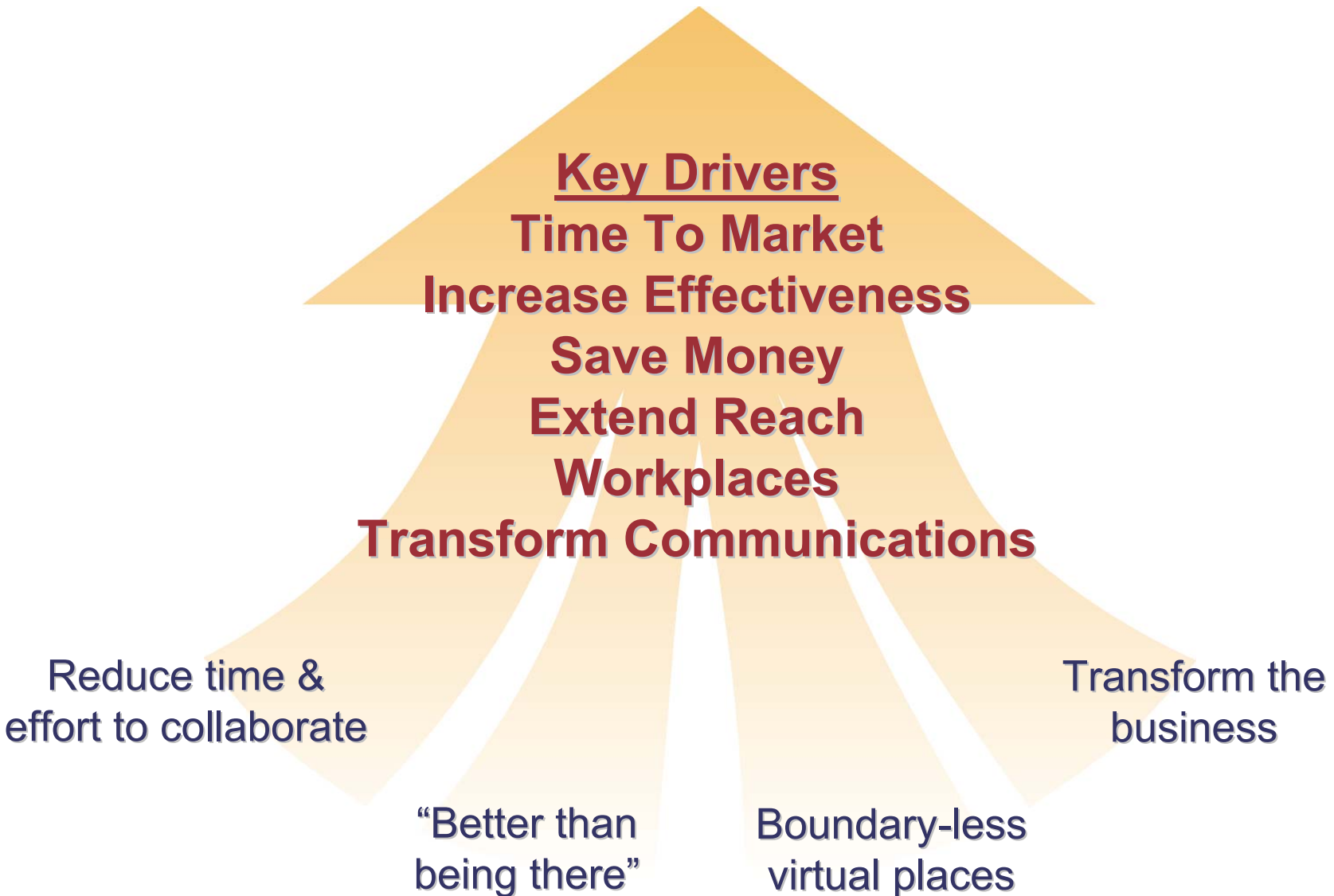
Distance Communication Medium

Web Casting	Web Conferencing
● In Studio with a crew	● Web browser
● Live Audio, Video Stream	● Telephone / VoIP
● High Bandwidth	● Low Bandwidth
● Firewall Issues	● Firewall friendly
● Non Interactive (Broadcast)	● Highly Interactive
Video Conferencing	**Web Conferencing**
● Room, Set-top box	● Web browser, Telephone
● High Bandwidth	● Low Bandwidth
● Firewall Issues	● Firewall friendly
● Non Collaborative	● Highly collaborative
● High Cost	● Low Cost
● Lower Scalability	● High Scalability

Economic & Safety Concerns: Influencing travel plans
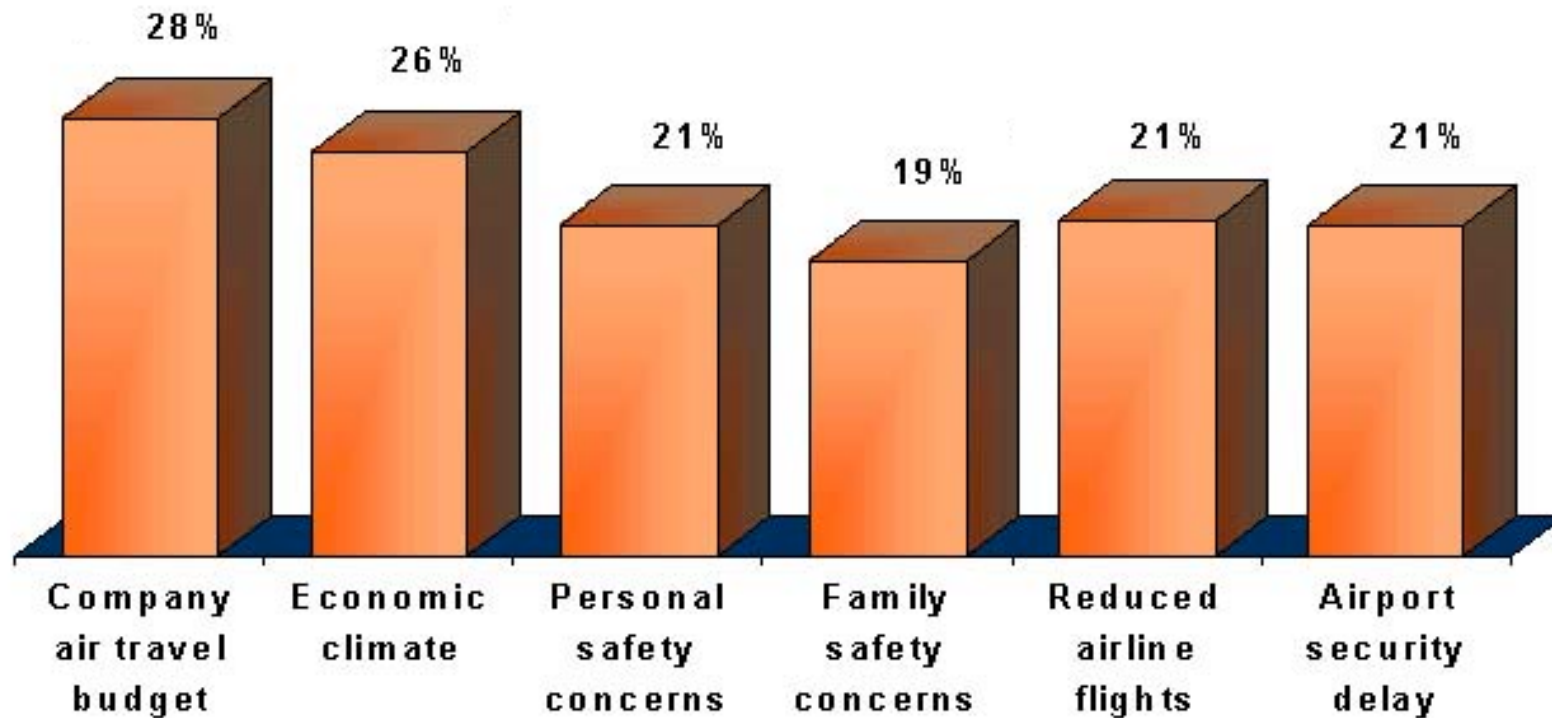
Source: Meetings in America IV 2002, MCI

Business Travel and Use of Conferencing Solutions

Conferencing Alternative		Those traveling less since 9/11	No change in travel
Used since 9/11	Audio	42%	29%
	Video	32%	15%
	Web	23%	17%
Planning to use in future	Audio	36%	22%
	Video	39%	17%
	Web	26%	21%

Source: Meetings in America IV 2002, MCI

Applications of Web Conferencing

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Applications of Web Conferencing

Marketing

Training / HR

Events

Sales

Applications Across the Enterprise

Collaborative Meetings
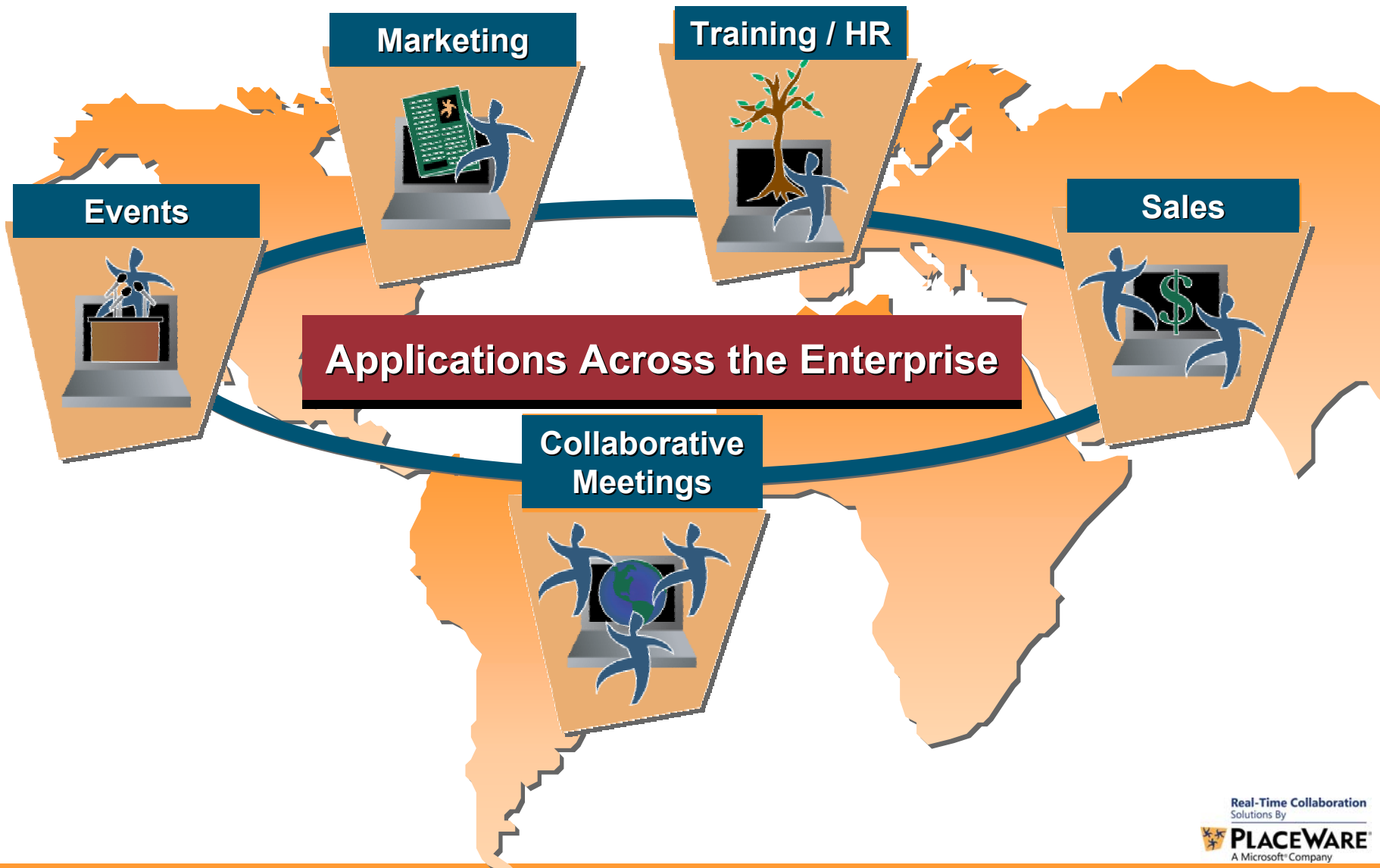
Training

Challenges	• Keep employees, partners and customers trained • Limited training budget and growing training needs • Accommodate scheduling flexibility • Train multiple stakeholders on the same content
Solution	• A virtual live medium for delivery of training • An on-demand medium for recorded virtual training
Results	• Increased productivity • Reduced costs • Business agility

Training: What features to look for

- Scalability – within a session and across sessions
- Ability to do both live and on-demand
- Virtual environment should provide a structured yet interactive environment
- No barriers to enter the session (especially when training customers and partners)
- Interactivity capabilities – Q&A, whiteboard, text-slide, web-tours, seating charts, mood indicators, chat etc.
- Questions & Answers – ability to post in privately and to all
- Chat – capability to control instructor-student and student-student chat
- Ability to provide printouts / handouts
- Ability to keep track of attendance
- Integration with Learning Management System (if applicable)

Marketing

Challenges	• Drive awareness and demand with reduced budget
	• Deliver and launch products with reduced budget
	• Generate leads with reduced budget
	• Frequent communications with analysts, customers, partners, creative agencies, etc.
Solution	• Webinars, virtual marketing events
	• Virtual meetings with customers, analysts, etc.
	• An on-demand medium for recorded virtual training
Results	• Accelerated time to market
	• Reduced cost per lead
	• Increased customer, partner, analyst satisfaction
	• Accelerated awareness

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Marketing: What features to look for

- Scalability – within a session

- Reliability – alternative is very costly

- No barriers to enter the session

- Interactivity capabilities – Q&A, web-tours, seating charts, mood indicators, application sharing.

- Branding capabilities

- Ability to provide printouts / handouts

- Ability to capture details of attendees / leads

Sales

Challenges	• Generate more revenue
	• Reduce cost of sales
	• Getting trained to new products and updates
Solution	• Virtual product demonstrations
	• Virtual meetings with prospects, customers
	• An on-demand medium for sales pitch
	• Virtual live/on-demand medium for training
Results	• Reduced cost of sales
	• Faster sales cycle
	• Ability to reach prospects faster

Sales: What features to look for

- Application sharing including remote-control

- Interactivity capabilities – Q&A, web-tours, seating charts, mood indicators, application sharing.

- Ability to capture notes

- Persistent content, i.e. content is always ready to go

- Ability to perform ad-hoc meetings and invite participants to session with a very short notice

- No barriers to entering the session

Events

Challenges	● Ability to keep employees, customers, partners informed with reduced communication/event budget ● Conduct events with customers, partners with reduced budget
Solution	● Webinars, Virtual Customer/Partner Symposiums ● Company-wide meetings (like "All Hands")
Results	● Increased productivity ● Increased customer, partner, employee satisfaction ● Reduced costs

Events: What features to look for

- Scalability – within a session

- Interactivity capabilities – Q&A, web-tours, seating charts, mood indicators, application sharing.

- Event Management capabilities
  - Planning, Registration, Reporting, Post-production and analysis

- Branding capabilities

- Ability to provide printouts / handouts

- Ability to capture details of participants

Collaborative Meetings

Challenges	● Collaborate with distributed teams effectively with reduced cost ● Ability to collaborate in an ad-hoc manner
Solution	● Virtual meetings
Results	● Reduced product development costs ● Faster product development and time to market ● Higher customer, partner, employee satisfaction ● Business agility

Collaborative Meetings: What to look for

- Scalability – across meetings
- Reliability and performance
- Application sharing including remote-control
- Interactivity capabilities – Q&A, web-tours, seating charts, mood indicators, application sharing.
- Ability to capture notes, action items
- Persistent content, i.e. content is always ready to go
- Ability to perform ad-hoc meetings and invite participants to session with a very short notice
- Integration with common calendaring tools, like MS Outlook, Lotus Notes
- Integration with Instant Messaging applications

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Intuitive Interaction

Present, show and share anything

View the Meeting's "Table of Contents"

Web tours, SnapShots, whiteboards, polls, and text boards

Presenter chat and audience chat

Record your session including audio

Printing Feature

Multiple Presenters: Host and Experts

Powerful Annotation Tools

View Questions and Answer Publicly or Privately

Audience "Seating Chart" and real-time feedback indicators

Seminar Room - Microsoft Internet Explorer

PLACEWARE Conference Center

Show Anything, Share Anything

View Sharing: Allows you to show all participants in your meeting any application running on your desktop.

Application Sharing: Share control of any software running on your desktop for collaborative projects.

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ROI of Web Conferencing

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Why Companies Are Looking for ROI

- Tough for companies to justify the ROI of software investments
  - Often intangible – tough to quantify, measure
  - Often in years – business climate changes

- Want to make sure that they can justify the investment to their management

Companies have made software investments in the past that have not provided them with returns that they thought they'd get

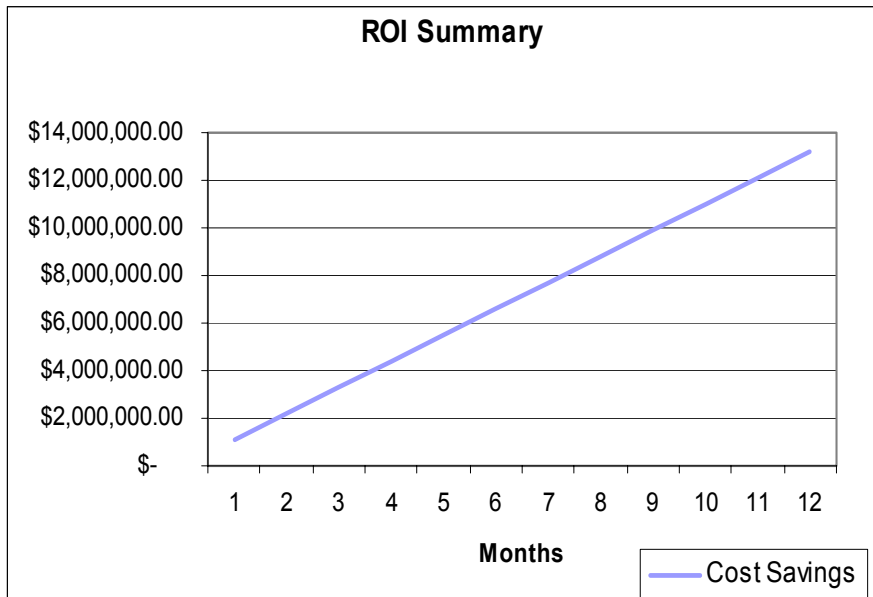# ROI of Web Conferencing
– Better Results, Faster Payback

	Enterprise Software	Web Conferencing
Capital Investment	Millions of $$s of upfront investment	Minimal upfront investment
Payback Period	In Years	Almost Immediate (can be as soon as the 1st web conference held)
Percent ROI	5 - 35%	1000% +
Return Based On	Gradual Margin, Revenue Improvements	Cost Savings Productivity and Revenue Improvement

Typical ROI for Virtual Meetings with PlaceWare

ROI Summary

- Assumptions:
  - **# of meetings per month   = 1000**
  - **# of participants per meeting= 7**
  - **% of people who travel   = 20%**
  - **% of meetings that can be replaced with PlaceWare   = 80%**

- ROI Summary
  - **Annual Savings   = $13.2M**
  - **ROI   = 1,465%**
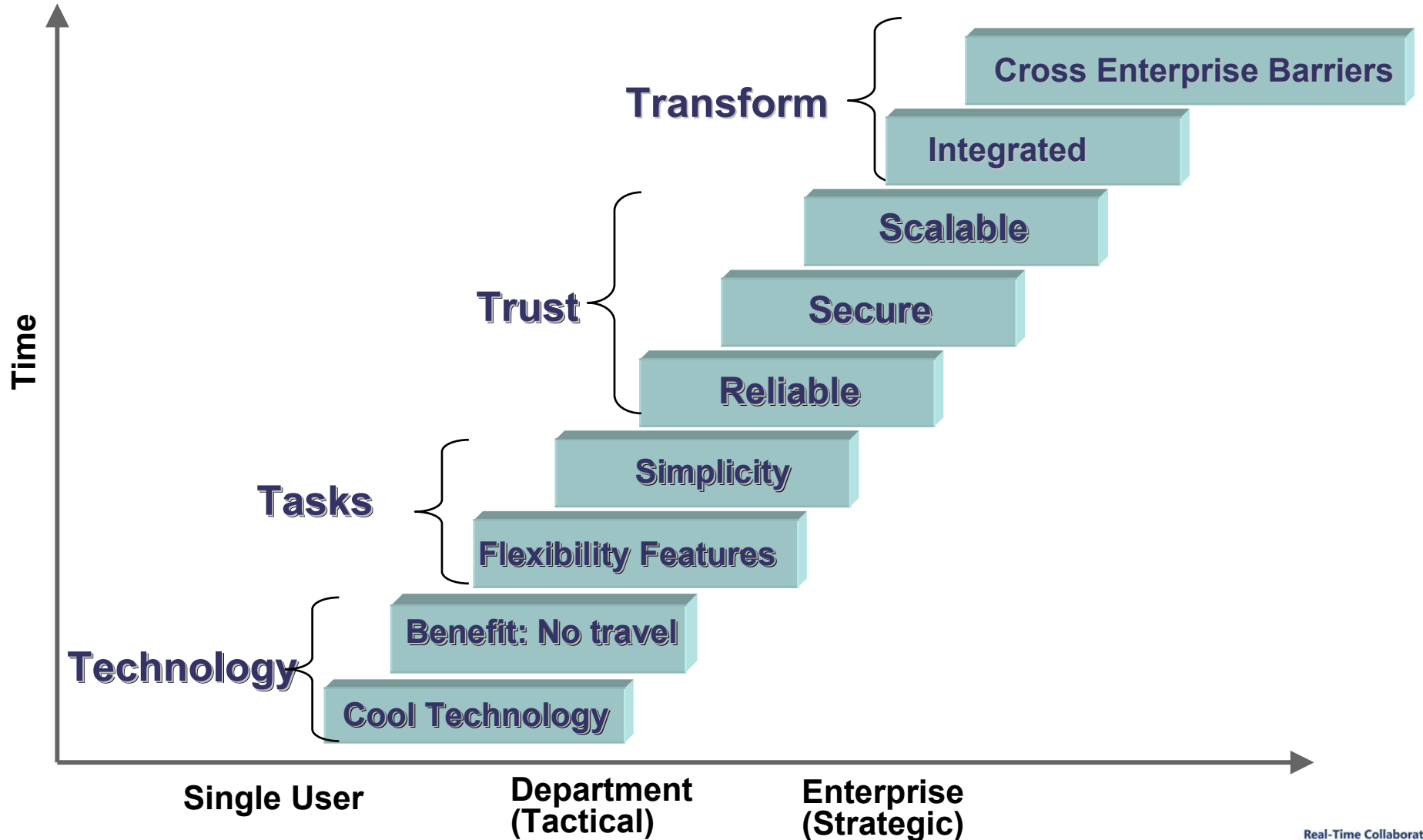 - **Payback Period   = 0.82 months**

Why Web Conferencing

- Ongoing Reason: Cost Savings
  - Travel Cost
  - Traditional classroom training costs, etc.
  - Capital Expense

- Longer Term Reason: Do More with Less
  - Improve Productivity, Efficiency
  - Generate More Revenue with Reduced Cost
  - Increase Marketing / Communication Effectiveness
  - Reduce sales cycles
  - Gain Competitive Foothold

Evolution In The Way Businesses Communicate and Collaborate

Time

Transform
- Cross Enterprise Barriers
- Integrated

Trust
- Scalable
- Secure
- Reliable

Tasks
- Simplicity
- Flexibility Features

Technology
- Benefit: No travel
- Cool Technology

Single User | Department (Tactical) | Enterprise (Strategic)

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Results with PlaceWare

Increased Revenues

SAS

"We've had great success with PlaceWare. During our first Webinar, we could actually see customers getting offline and going to our website and purchasing software."

—*Kristin Nauta, Director, Sales & Marketing*

Increased Profitability

Honeywell

"We saved $9,000,000 in the first 6 months."

—*R. Lee Allen, Manager, Operations*

Faster Time to Market

BASF

"We got the same information out in 3 days versus 5 days – and saved $75,000."

—*Stephen Rezac, Manager, Sales Training*

ROI of Web Conferencing
– Better Results, Faster Payback

Deloitte Consulting

"Using PlaceWare has allowed us to recognize significant ROI in food, travel, equipment rental and lodging. It has <u>saved us a boatload of money</u>."

SAS

"At SAS, an average-sized meeting on PlaceWare is five people. At $1,100 per person, we would have saved <u>over $2.5 million</u> in one year."

plumtree

"This lowers our cost of sales, increases our ability to generate revenues, and avoids thousands of dollars of travel every week, as well as the cost of establishing remote demonstration centers, because we can demonstrate complex systems from headquarters."

symantec.

We have seen significant benefits by using PlaceWare, not just by saving in travel expenses, but by reducing the amount of time our channel partners and field personnel are pulled away from their revenue-producing work

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Critical Attributes to Deliver to the ROI Promise of Web Conferencing

- **Accessibility and Ease of Use**
  - Focus on the content and the success of the meeting and not the technology behind it

- **Reliability**
  - Alternative is costly and not budgeted for
  - Loss of confidence in the usefulness of the technology

- **Security**
  - Feel confident about conducting your internal and confidential meetings

- **Scalability**
  - Scale with adoption
  - Scale from departmental usage to an enterprise solution
  - Scale to provide maximum marketing reach

Architecture / Design Center

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Critical Requirements for true business collaboration

- **Accessibility and Ease of Use**
  - Focus on the content and the success of the meeting and not the technology behind it

- **Reliability**
  - Alternative is costly and not budgeted for
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- **Scalability**
  - Scale with adoption
  - Scale from departmental usage to an enterprise solution
  - Scale to provide maximum marketing reach

Types of Meetings

|	"Internal"	"External"
Open	Non-proprietary corporate communication	Product launches Public seminars Virtual tradeshows Quarterly results
Trusted	Project meetings Employee training Personnel issues Mergers and acquisitions	Prospect demos Client presentations Supplier/Vendor meetings Strategic partners

Types of Meetings- Technical Perspective

	"Internal" All Inside F.W.	"External" Inside and Outside F.W.
Open	Non-proprietary corporate communication	Product launches Public seminars Virtual tradeshows Quarterly results
Trusted	Project meetings Employee training Personnel issues Mergers and acquisitions	Prospect demos Client presentations Supplier/Vendor meetings Strategic partners

Meetings considered internal, still need access outside the Firewall

Meeting Analysis Of PlaceWare Usage
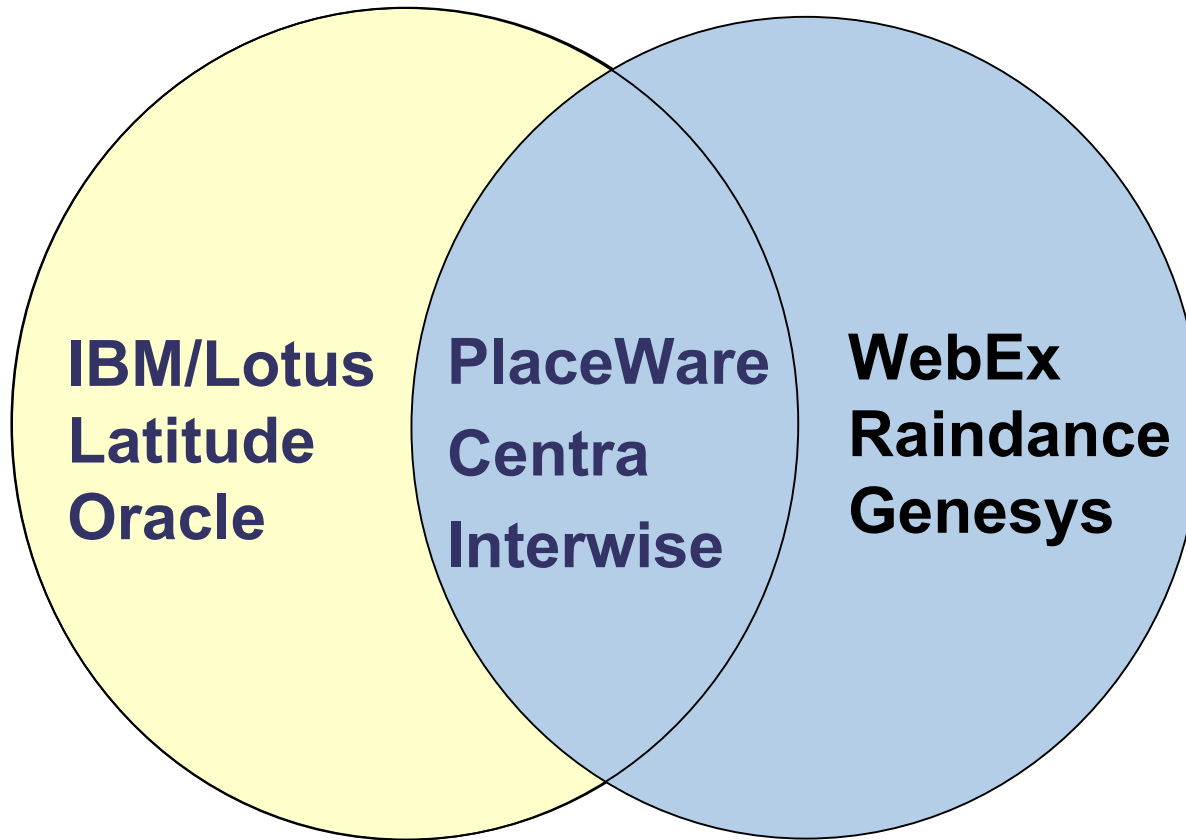
All Inside F.W.   **Inside and Outside F.W.**

51%   **49%**
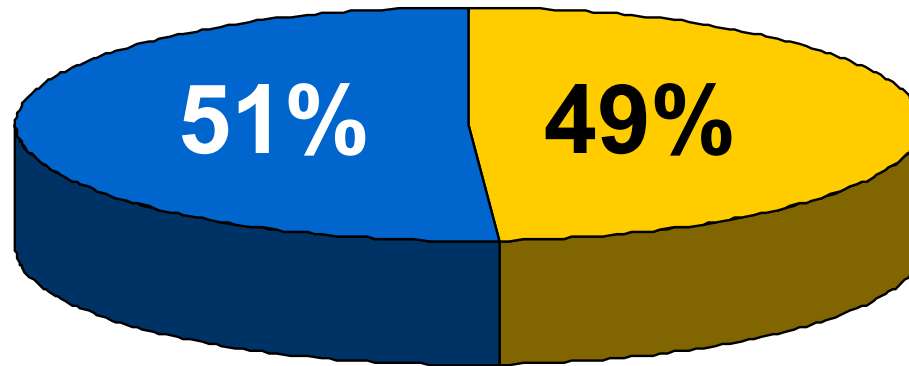
**Meetings Inside and Outside the Co. Firewalls
Placeware Hosted Service**

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Breakout of Vendors by Approach

Enterprise Software / On-Premise Solution

IBM/Lotus Latitude Oracle

PlaceWare Centra Interwise

WebEx Raindance Genesys

Hosted Service

Service Providers: Basic Architectures

Decentralized Switch Model

Switch1
Switch2
Switch3
Switch4
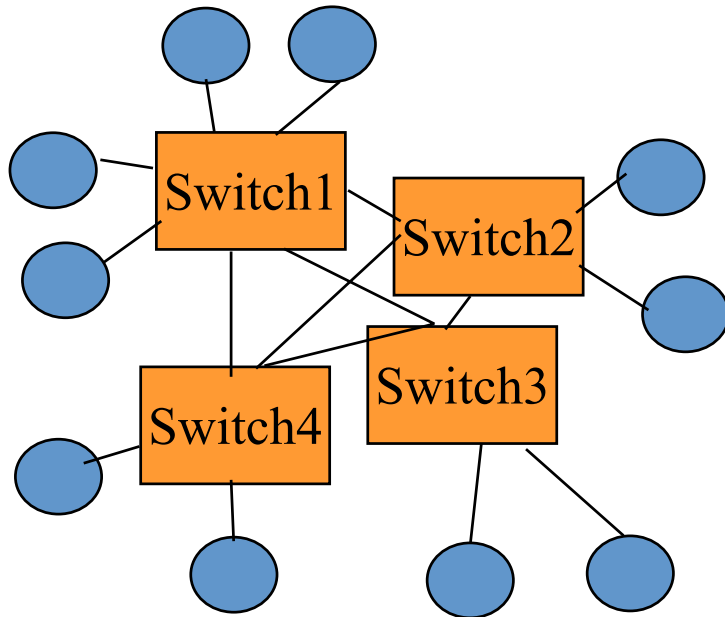
✓ Extensible
? Scalable
✗ Manageable
✗ Secure
✗ Reliable

Centralized Hub-Spoke Model

Centralized Servers
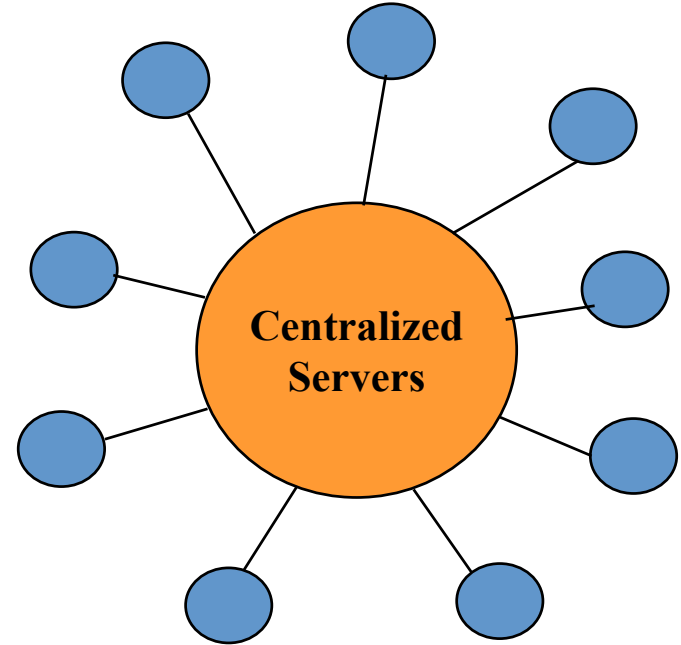
✓ Manageable
✓ Scalable
✓ Reliable
✓ Secure
✗ Extensible

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Accessibility & Ease of Use

- Ability to traverse firewalls transparently and without performance degradation

- Existing integrations with common desktop and enterprise applications

- Strong set of APIs to integrate to any desktop and enterprise application

- Support real-time interactions allowing participants to concentrate on the meeting content

- Ability to customize the user interface depending on the type of audience

Accessibility & Ease of Use: Two Virtual Environments
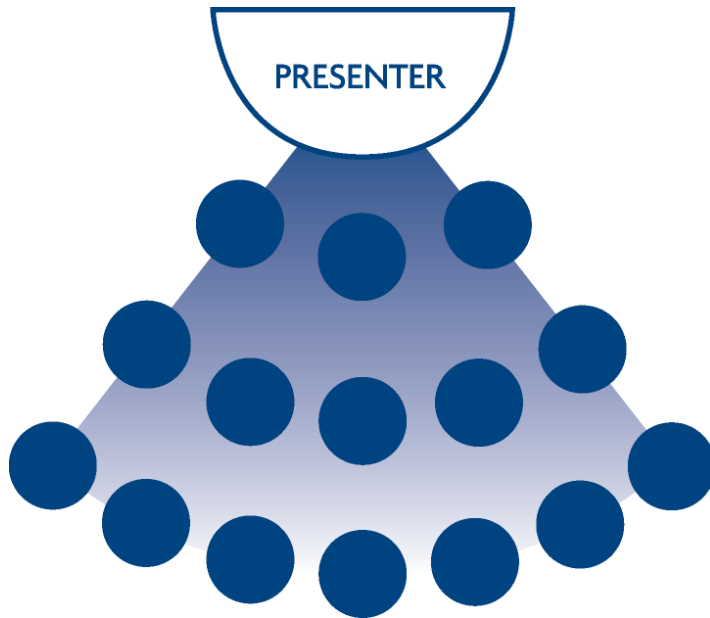
Auditorium Place

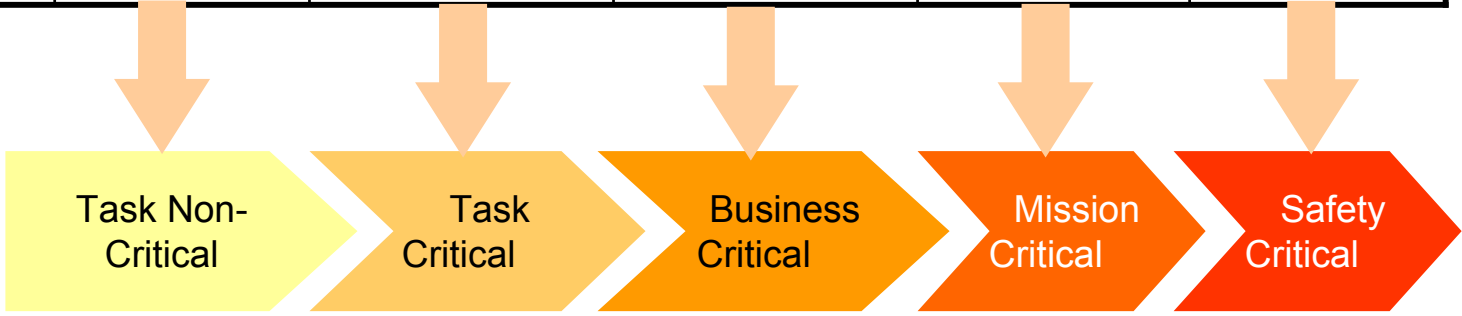**For Larger or More Formal Presentations**
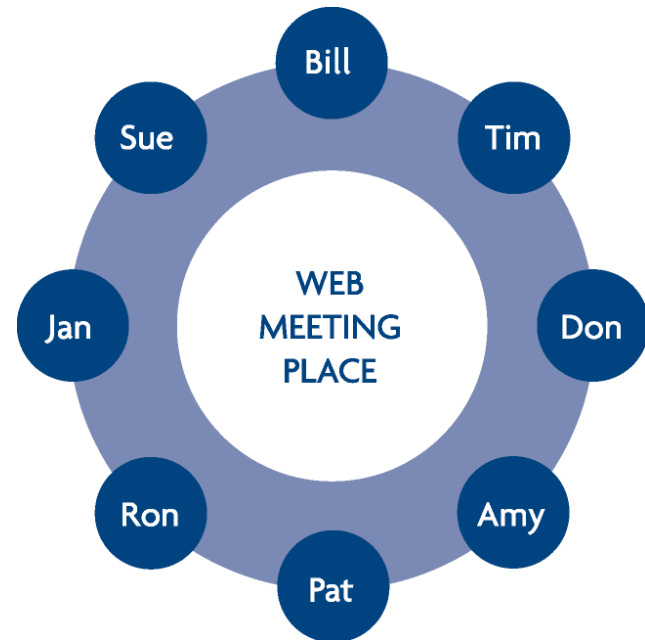
Web Meeting Place

For Smaller or More Collaborative Meetings

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Reliability: The 9s & the Criticality Scale

	90%	99%	99.9%	99.99%	99.999%	~100%
Outage Minutes / Yr	50,000	5,000	500	50	5	~0

CRITICALITY SCALE

Task Non-Critical	Task Critical	Business Critical	Mission Critical	Safety Critical

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Reliability, Reliability, Reliability

- PlaceWare has a reliability of 99.99%

■ Usage Hours

■ % of Reliability

| 1999 | 2000 | 2001 | 2002E |

.3M   .9M   2.7M   7M

99%   99.4%   99.9%   99.99%
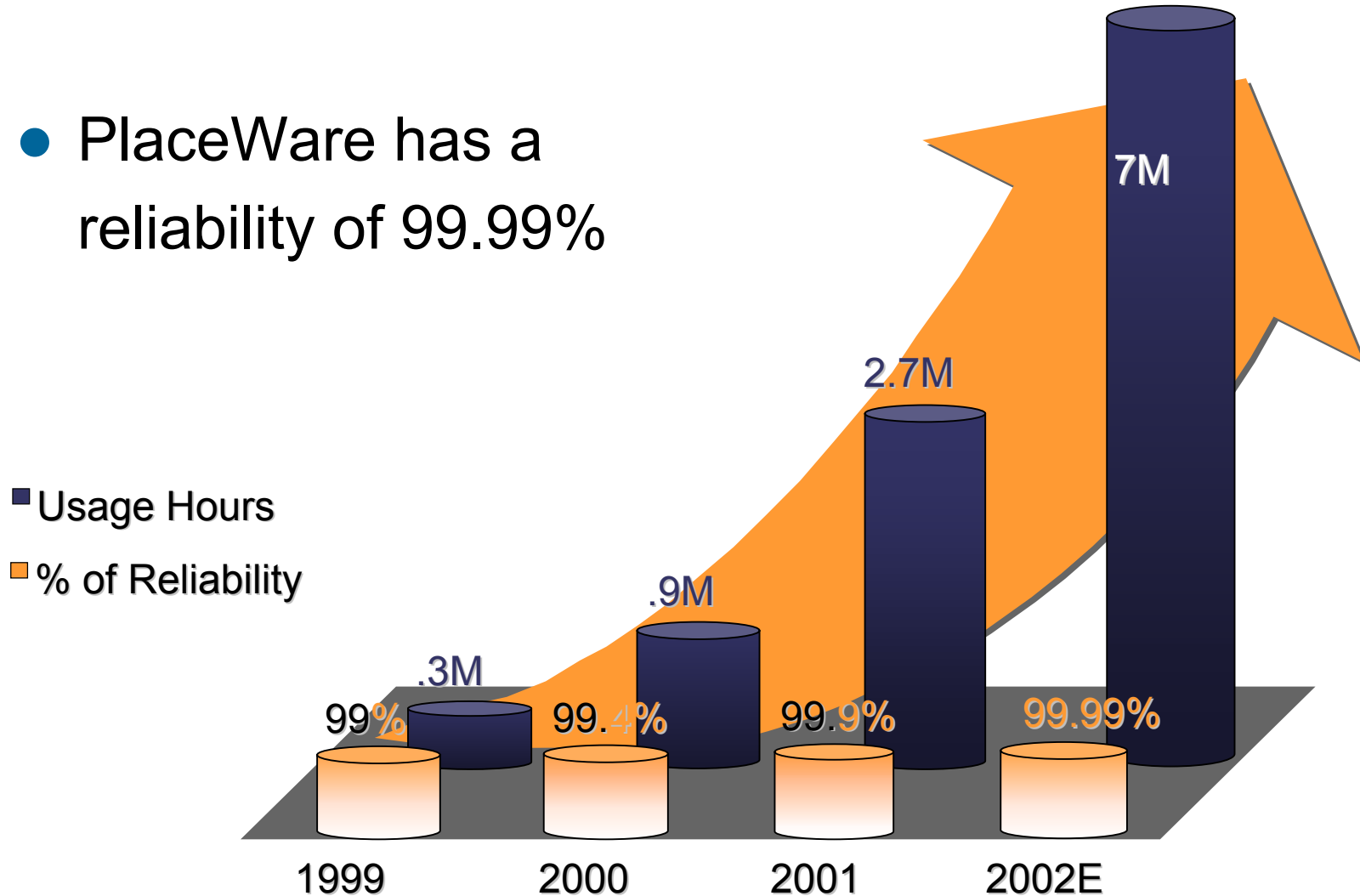
Security of Web Conferencing

"Security in web conferencing is not an afterthought, it needs to be built in... Purchasers should not have to add technology to increase the security of their software and services. Increasingly, enterprises are making it clear to vendors that they are demanding safer products - by refusing to buy products and services that are not safe."
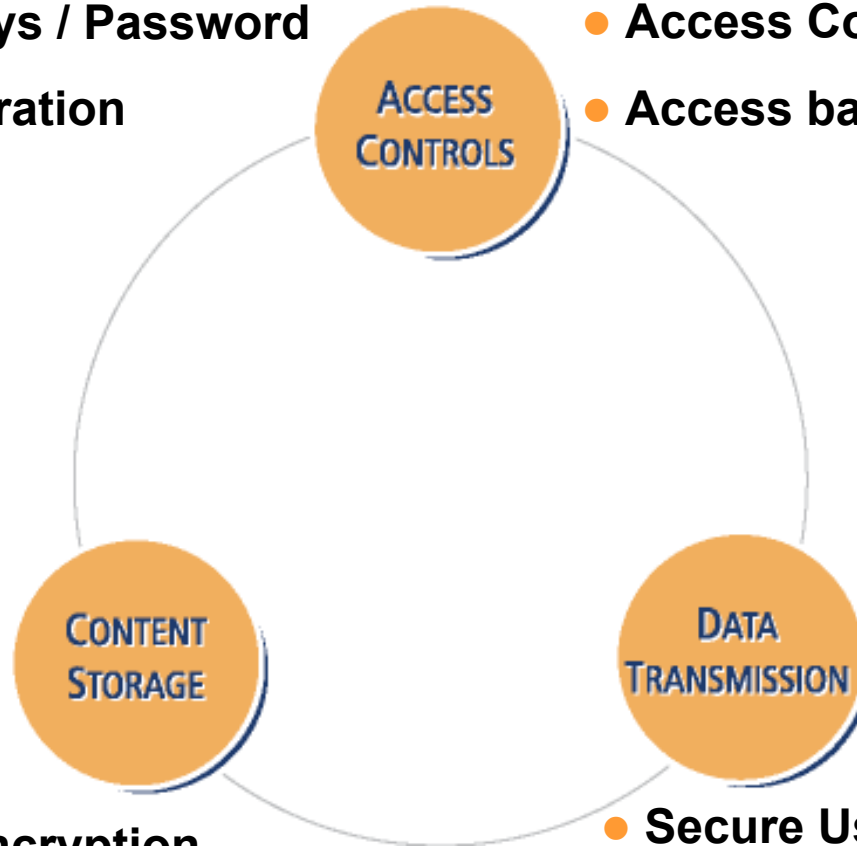
> » *Matt Cain, The Meta Group*

Three Cornerstones of Security

- **Meeting Keys / Password**
- **LDAP integration**

ACCESS CONTROLS

- **Access Control Lists (ACLs)**
- **Access based on roles**

CONTENT STORAGE

DATA TRANSMISSION

- **Content Encryption**
- **128-bit Slide Encryption**

- **Secure User ID, Password**
- **No clear text for any data**
- **SSL encryption**

Scalability – Two Basic Dimensions

Type	Description	Applications
Scalability within a meeting	Ability to invite a large number of participants in one meeting	• Product Launches • Web Seminars • Marketing Events • All Hands Meetings
Scalability across meetings	Ability to have a large number of meetings going on with varied number of participants	• Various types of meetings happening at the same time • Enterprise wide deployment

Summary

- Meetings drive business results – but a conference call and in-person meetings often fall short

- Web Conferencing enables people to meet and collaborate with just a browser and a phone

- It is a natural evolution in the way people communicate

- The main applications of web conferencing are: Training, Marketing, Sales, Customer Service, Events, and Collaborative Meetings

- Web conferencing has strong, measurable ROI with immediate payback

- The critical attributes to look for in a web conferencing solution are: Accessibility & Ease of Use, Reliability, Security and Scalability