



## Business Case

### Nortel Multimedia Conferencing

*Creating an effective conferencing strategy*

The means by which we communicate in the business world have forever changed. Meetings held around the boardroom conference table are giving way to virtual conference room gatherings. With businesses under increasing pressure to reduce costs while enhancing revenues, travel restrictions and cost-cutting measures have resulted in a substantial growth in conferencing services. Conferencing and collaboration tools are, in fact, ubiquitous — the preferred methods of communications between teams, partners and customers.

The use of these tools has doubled, even tripled, within many businesses — just within the past couple of years — and so it’s increasingly important to utilize them as cost-efficiently as possible. Fortunately, solutions for reigning in these costs are available.

There are three primary conferencing and collaboration options on the market today:

- **Conferencing services** — Typically outsourced from a service bureau using a pay-by-the-minute pricing model. Prices will vary depending upon the level of service required (reservationless conferencing, operator assistance, collaboration, etc.).

- **Web conferencing and collaboration** — Communication and/or conferencing over the Internet, often used for webinars, where one person is presenting information to many.
- **In-house conferencing and collaboration** — Conferencing equipment that is owned by the business and resides on the business’ premises. This can be used for audio-conferencing only or include desktop collaboration tools for a full unified communications solution.

Nortel recognizes that — depending upon the situational needs of each individual business — there are benefits to each method. In fact, a combination of multiple conferencing capabilities might be deployed within a business to achieve optimal results. (See Table 1.)

### Conferencing services

For a small business with minimal conferencing needs, using a conferencing service provider may be an attractive choice. There are little or no start-up costs and you pay only for the services you use.

Most small and start-up businesses have limited funds for business communications equipment, making the pay-as-you-go model a good fit. But for a medium or large business, the situation might be dramatically different.

For example, a medium-sized business with 500 employees might utilize conferencing on a daily basis, with 90 percent of their conferences being reservationless, requiring no operator assistance. The other 10 percent of their

**Table 1. Benefits of each option**

Conferencing service bureaus	Web conferencing	In-house conferencing
Little or no start-up costs	Low cost	Access from any device
No internal IT support needed	Faster ROI	Exceptional ROI
No long-term commitment	Security and control	Security and control
		Unified communications integration

conferences are special events requiring additional services, including operator assistance, audio conferencing, toll-free access and web conferencing.

Let's look at this example in detail: (See Table 2.)

- Average monthly conference calls: 2,000
- Average conference length: 30 minutes
- Average number of participants: 10
- Total minutes per month: 600,000

Pricing models will vary depending upon volume. Service providers typically charge between 3 and 20 cents per minute for reservationless conferencing, with special event-type services at an additional charge. While this scenario may not look attractive as a whole, utilizing a conferencing service bureau for special events can be an effective component of a business' overall conferencing strategy.

Keep reading to learn more.

### Web conferencing

Web conferencing is typically low cost and has the added benefit of delivering a visual presentation along with audio functionality. For internal employee collaboration, this can be a powerful solution. It also can be a great solution for situations in which one person is making a visual and audio presentation to a large audience in listen-only mode over the Internet.

There are, however, limitations to this solution when the need arises to allow access to the conference from any location or device. Say, for example, Jane is the Vice President of Sales and is often traveling. She needs to join a specific conference but requires dial-in access. An audio-conference call would be required in addition to the web-conferencing session to display the presentation material.

**Table 2. Conferencing services**

	Reservationless: 90%	Special events: 10%
Minutes per month	540,000	60,000
Price per minute	\$.05	\$.25
Total per month	\$27,000	\$15,000
<b>Total annual spend</b>	<b>\$324,000</b>	<b>\$180,000</b>

### In-house conferencing and collaboration

While audio-conferencing bridges have been on the market for a number of years, the cost of deployment was quite high due to their hardware-based design. Scalability was also a challenge, with numerous hardware modules required to achieve a modestly scalable solution.

But with the advent of Voice over IP (VoIP) and multimedia elements that utilize software for set-up and breakdown of sessions, in-house conferencing solutions have been re-born as unified conferencing and collaboration solutions. These solutions can reside on premises and connect directly to the business' VoIP network using Session Initiation Protocol (SIP), which means that all calls made on the network will

unified conferencing and collaboration experience.

Access is also extended through the enterprise communications network to the public switched telephone network (PSTN), allowing access from any device and any location. This means that regardless of affiliation, customers, partners, suppliers and employees can all participate in conference sessions. (See Table 3.)

The most outstanding benefit of an in-house conferencing and collaboration solution is its return on investment (ROI). Most businesses can achieve payback within three to eight months, and the solution will continue to pay for itself in the years to come. An in-house conferencing and collaboration solution is a key building block of a successful conferencing strategy.

**Table 3. Reservationless conferencing**

Service provider		In-house solution	
Monthly conferences	1,800	Monthly conferences	1,800
Average duration	30 minutes	Average duration	30 minutes
Average participants	10	Average participants	10
Minutes per month	540,000	Minutes per month	540,000
Price per minute	\$.05	Ports required	100
<b>Total annual spend</b>	<b>\$324,000</b>	<b>One-time solution spend</b>	<b>\$87,000</b>

**Return on investment = three months**

be routed through the least expensive path, thereby reducing toll expenses. And because the conferencing system utilizes SIP, additional levels of collaboration can be achieved. Presence, IM, desktop sharing, participant rosters and more can all be part of your integrated

### Creating an effective conferencing strategy

To build an effective conferencing strategy, businesses must look at their overall conferencing usage and needs. Understanding the number of users that

require conferencing, the average length of those conferences and the average number of participants is helpful in building your conferencing strategy.

Answering the following questions will help businesses determine the best strategy.

- What is the average number of conference calls per month?
  - Average length in minutes?
  - Average number of participants?
- What is the total amount of conferencing minutes per month?
  - What percentage required operator assistance?
  - What percentage were reservationless (no operator assistance)?
  - What percentage required collaboration?

In looking at overall conferencing usage, most businesses will realize that the bulk of their conferencing requires no operator assistance. The majority of businesses will experience significant annual cost savings by deploying an in-house, reservationless conferencing solution for the majority of their conferencing needs. This can be deployed by the vendor and managed by the business' internal staff or it can be a complete managed service requiring little or no intervention from the business' IT staff.

Adding collaboration capabilities to an in-house conferencing solution is quickly becoming a key component of delivering on a unified communications strategy. Conferencing solutions that integrate via SIP and offer multimedia options can provide improved communications and collaboration capabilities.

For example, the ability to see individuals' presence state and invite them to join a conference call with a click will enhance productivity. To have a

visual display of participants entering and leaving a conference will help the chairperson stay focused on the conference topic without having to conduct a verbal roll-call session. And sharing information while in conference — viewing a presentation or sharing a user's desktop, for example — can help participants be more productive and can save time.

While reservationless conferencing is generally a major component of a business' conferencing strategy, it's important to understand that some conferences may require additional services. Large events that require operator assistance and other services may be better served by a service provider who has the additional staff and special training to handle such events.

### The Nortel business case

Nortel has more than 30,000 employees located all over the world. In 2003, Nortel was spending approximately \$8 million annually on audio-conferencing services through a hosted service provider. In 2004, we transitioned from an external hosted/managed conferencing service to our own in-house conferencing and collaboration solution. We achieved ROI within eight months and continue to save each year.

- 30,000 employees
- 20,000 conferencing users
- 15.5 million conferencing minutes per month
- \$7.7 million dollars in annual conferencing spending
- Payback in eight months

Over the past few years, due to travel restrictions and cost-control measures, Nortel's conferencing usage has continued to climb; nonetheless,

we continue to save approximately \$6 million annually over our previously outsourced solution. Approximately 90 percent of our conferences are reservationless, non-operator-assisted conferences. In fact, our executives all use our reservationless conferencing service for the bulk of their conferences. Only 10 percent of Nortel conferences are special-event and operator-assisted conferences that are outsourced through a service provider.

The transition to this in-house reservationless solution was accomplished in less than a year and was rolled out by region, with executives being the final users transitioned.

In North America, the use of toll-free access to the system was initially provided but not widely advertised. Since then, we have eliminated the use of toll-free access on our reservationless system, further reducing our costs. Users and groups can still utilize our special-events/outsourced service for toll-free access, but the individual department must pay for this service. This encourages greater use of our in-house reservationless system, which is now paid for and continues to offer Nortel significant annual cost savings.

### Nortel Multimedia Conferencing

Multimedia Conferencing is Nortel's premium conferencing solution, providing a scalable, SIP-based audio- and video-conferencing application that extends reservationless conferencing. All users are assigned their own virtual conference room that can be used at their convenience and is secured with individual chairperson PINs. Conference access is available from any device (analog/digital/IP,

desktop clients, mobile phones, etc.) and multiple languages are supported, making this a truly global conferencing solution.

Although redundancy and resiliency options can be provisioned, Nortel Multimedia Conferencing reliability has been proven through its ancestry in both the carrier and enterprise markets with our Multimedia Communication Server 5200 and 5100 products.

While Nortel Multimedia Conferencing can be deployed as a standalone audio/video-conferencing solution, the Nortel and Microsoft Innovative Communications Alliance has enabled Nortel to deliver a robust and proven IP audio-conferencing solution that can be seamlessly integrated into a Microsoft desktop environment. Multimedia Conferencing can be easily integrated with the Microsoft Live Communications Server 2005 and Office Communications Server 2007 for a truly collaborative unified communications environment.

## Conclusion

Creating an effective conferencing strategy determined by your own business needs is imperative when considering an advanced conferencing solution. Nortel and our partners have the experience to help you create the right services mix. Whether it be a complete managed service offering or installation services only, Nortel can provide the right resources to help you achieve your conferencing deployment strategy. Nortel is a leader in helping businesses define and deliver unified

communications solutions, including unified conferencing and collaboration.

That's further proof of Nortel's "Business Made Simple" promise.

See just how quickly Nortel Multimedia Conferencing will pay for itself! Use the ROI calculator at [www.nortel.com/mcroi](http://www.nortel.com/mcroi).

To learn more about how Nortel Multimedia Conferencing can enhance collaboration and cut costs for your organization, contact your Nortel Sales Representative, or call 1-800-4Nortel.

## BRING CONFERENCING IN-HOUSE AND SAVE

[http://www.nortel.com/tools/multimedia\\_conferencing\\_calculator/](http://www.nortel.com/tools/multimedia_conferencing_calculator/)



Nortel is a recognized leader in delivering communications capabilities that make the promise of Business Made Simple a reality for our customers. Our next-generation technologies, for both service provider and enterprise networks, support multimedia and business-critical applications. Nortel's technologies are designed to help eliminate today's barriers to efficiency, speed and performance by simplifying networks and connecting people to the information they need, when they need it. Nortel does business in more than 150 countries around the world. For more information, visit Nortel on the Web at [www.nortel.com](http://www.nortel.com). For the latest Nortel news, visit [www.nortel.com/news](http://www.nortel.com/news).

For more information, contact your Nortel representative, or call 1-800-4 NORTEL or 1-800-466-7835 from anywhere in North America.

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