

Why Deploy a Premise-Based Web Conferencing Solution?

A ConferZone White Paper

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Why Deploy a Premise-Based Web Conferencing Solution?

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The capacity of the Internet to span geographic barriers and instantly transmit information makes industry developments inevitable.

Introduction

What is Web Conferencing?

Web conferencing refers to innovative technologies that allow people to communicate or “conference” over the Internet. The industry is a convergence of technologies developed to provide cost-effective interactive communication channels for individuals and businesses. The capacity of the Internet to span geographic barriers and instantly transmit information makes industry developments inevitable.

Often termed Webinars, Internet conferencing technology involves presenting content over the Internet and can range from presenting a PowerPoint® presentation to full voice and video integration. Users view the presentation by logging into an online Web conference, and communicating with the moderator either via a telephone or through a Web-based chat option. During the Web meeting the moderator can interact with participants, view attendee lists, and manage communications.

The infrastructure is made up of hardware, software, and service components. Web conferencing uses the Internet as the means to bring audio, video, and collaboration solutions to PC users by using traditional or wireless phone lines. Under the category of Web conferencing are three options:

- Premise-hosted solutions are software or appliances hosted and managed by the customer.
- ASP-hosted solutions (ASP) are priced on a seat-per-month basis.
- ASP-hosted solutions (ASP) are priced on a seat-per-minute basis.

Premise-Based vs. ASP-Based Solutions

A premise-based solution is a server installation deployed at a company facility or co-located at an ISP of a company’s choice. Both internal employees and external meeting attendees are able to access the technology, but the solution is maintained by the in-house IT department or remotely by the vendor. Many companies prefer the in-house option because of the ability to maintain better control, higher security, and faster ROI when supporting frequent online meetings and events.

An ASP-based solution is outsourced and is hosted by a service provider (often called an applications service provider or ASP). In this situation, the solution is hosted by the vendor’s server so there is no need to provide the support of an internal IT department. Companies just beginning to use Web conferencing tend to lean toward ASP-based solutions until they map and track technology functionality and frequency of use.

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Effective communication is essential to business, and the benefits of Web conferencing extend beyond saving money for travel costs.

Benefits of Web Conferencing

Overall Industry Benefits

Effective communication is essential to business, and the benefits of Web conferencing extend beyond saving money for travel costs. Organizations leveraging Web conferencing also appreciate returns in improved communication, productivity and overall efficiency. Companies can now conduct local, national or worldwide meetings to enable greater productivity and cost-efficiency across the entire organization.

Web conferencing offers countless benefits to every size company, in any industry, and all countries. The technology is convenient, flexible and accessible because it is available to anyone with a computer and an Internet connection. Solutions offered range from the most basic desktop sharing to feature-rich solutions that include multipoint video, polling, quizzing, file transfer, application sharing, record and playback, and more. Users can choose and customize a solution to fit their needs. The primary driving factors of Web conferencing over the last few years have been the ability to reach more people in less time. Below are just a few examples of the benefits Web conferencing offers:

Do More	With Less	Much Faster
<ul style="list-style-type: none"> • Reach remotely and globally • Improve quality of communications delivery • Simplify process to schedule and meet • Meet right from your desktop • Extend the life of events through record/playback • Receive immediate feedback • Add visuals to communications 	<ul style="list-style-type: none"> • Reduced meeting expenses • Spend less on travel costs • Reduce/eliminate travel time • Increase time to market • Reduce effort to market 	<ul style="list-style-type: none"> • Less time to execute than traditional meetings/events • Shorten sales cycle • Show an immediate ROI • No opportunity loss

Premise-Based vs. ASP-Based Benefits

Beyond the overall benefits of Web conferencing, new users must understand the benefits of premise-based solutions versus ASP-based solutions. In a recent online survey performed by Wainhouse Research, respondents mentioned that the four major reasons for leaving a hosted Web conferencing service provider and migrating to an in-house Web conferencing solution were based on cost savings, security, integration, and reliability.

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Choosing the right Web conferencing and collaboration technology is mission critical for any company.

Below is an overview of the benefits of both types of solutions and why companies choose premise-based over ASP-based solutions:

Benefits of ASP-Based Solutions

- Easy access from anywhere
- No internal IT support needed
- Automatic upgrades
- Cost effective for unknown usage
- No long-term commitment
- Sever redundancy (backup)

VS.

Benefits of Premise-Based Solutions

- Easy access from anywhere
- Faster ROI – low cost for steady users
- Better security
- More control and reliability
- Standardization – one solution across company
- No-stress usage – unlimited use
- Customization and integration

Benefits of Premise-Based Solutions

Faster ROI - ROI plays a very important role when evaluating between a premise- and ASP-based solution for your company's Web conferencing needs. According to a study conducted by Collaborative Strategies on ROI, the premise-based model has a faster cash recovery period and a superior ROI than either of the per-minute or per-seat ASP models over a one-, two- or three-year period.

Better Security - Having a behind-the-firewall application increases Web conferencing security significantly and simultaneously allows remote employees, customers, and partners to access the system as if they were physically on-site. In today's world of hackers and virtual terrorism, strong security is essential.

More Control & Reliability - Choosing the right Web conferencing and collaboration technology is mission critical for any company. Using a premise-based Web conferencing solution offers increased control over conferencing technology and internal resources, while maintaining an affordable, flexible, and secure solution. Web conferencing is easy to use and implement company-wide, scalable from two to 500+ concurrent connections, reliable, and promotes superior customer support.

Standardization - Premise-based solutions can provide a single solution that can be used company-wide for any conferencing need, from small meetings to large company broadcasts. Many departments currently use different audio, video, and Web conferencing providers for small impromptu meetings, large scheduled meetings, and company-wide broadcasts, resulting in varied solutions and costs that are hard to track and manage. Premise-based Web conferencing is purchased one time, enabling standardization and trackable costs.

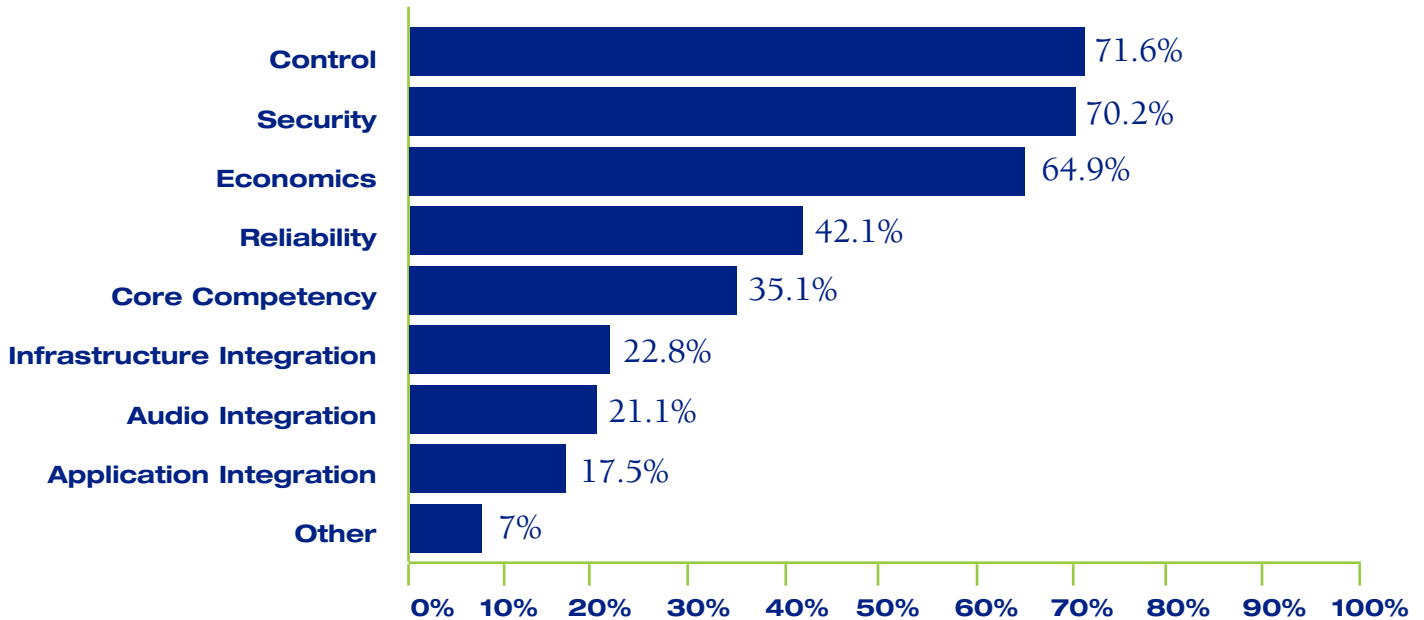
No-stress Usage - Generating productive meetings with clients or colleagues is crucial to the success of businesses in this global marketplace. Projects need to be completed sooner, with many participants spread out across the world. With premise-based Web conferencing, participants from multiple locations can meet and review presentations, share documents in any application, transfer control to different participants, and address issues as soon as they appear, allowing synergies to be created across departments, and decisions to be made sooner about the business.

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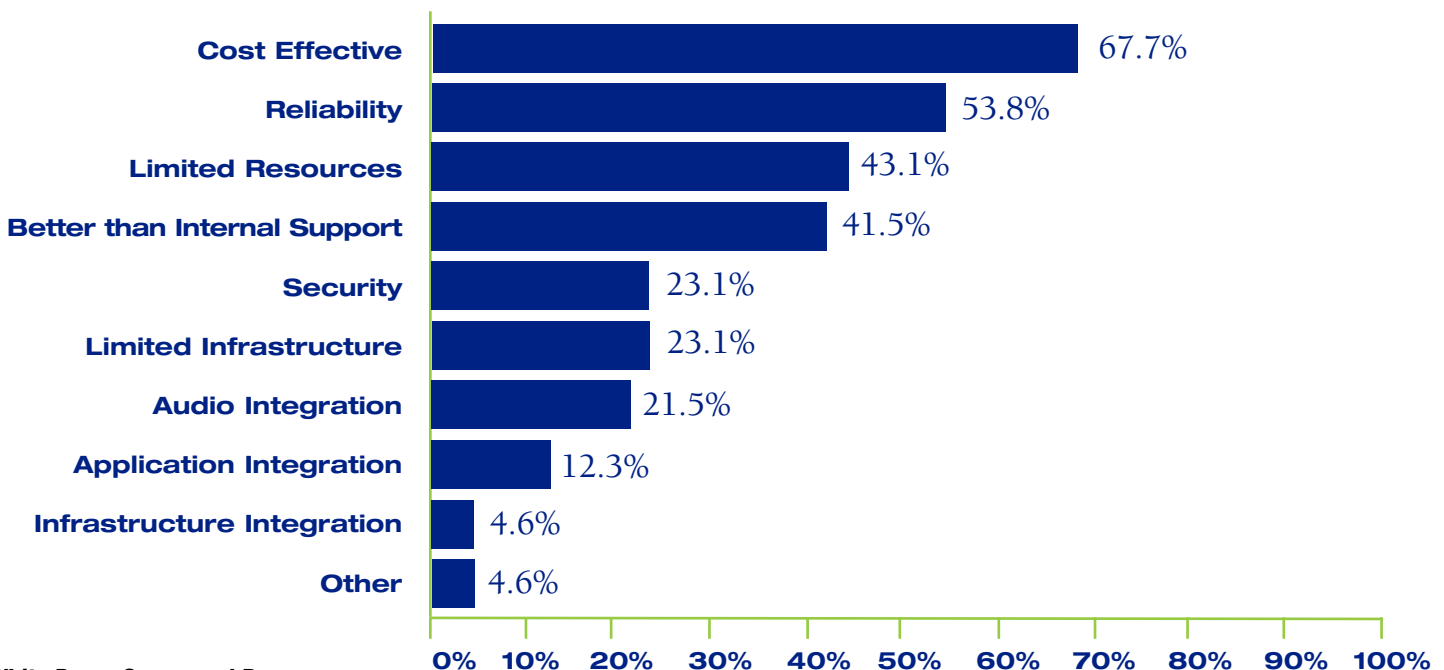


Customization & Integration - The use of a premise-based Web conferencing solution allows an organization to develop a branded portal – even for each department individually. This enables users to customize the interface and settings to best fit their needs. A premise-based solution also allows for integration of the Web conferencing solution with other company applications such as email, office applications, and more, promoting faster adoption and increased usage among employees.

Why Companies Run In-house Web Conferencing Servers – Wainhouse Research¹



Why Companies Run ASP Services – Wainhouse Research²



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¹Wainhouse Research WebMetrics Survey – Q4, 2004

²Wainhouse Research WebMetrics Survey – Q4, 2004

According to many industry analysts, Web conferencing is now in the technology phase known as mainstream adoption.

Adoption of Web Conferencing

Overall Industry Adoption

The Web conferencing industry began in the early 1990s, but did not really take off until 1998 during the “dotcom” craze. At the time, small start-ups used Web conferencing as the new marketing strategy to spread the word. Although the economic downturn had an effect on the industry as it did on all high-tech sectors, it ultimately had a positive effect as budgets were slashed and companies were looking for ways to maintain market share with smaller budgets. Not long after the economic changes, the world experienced tragedies that also pushed the industry forward, including 9/11, SARS, and the war in Iraq. Fear and renewed interest in employee safety drove more people to accept that they could meet over the Internet and be more productive.

According to many industry analysts, Web conferencing is now in the technology phase known as mainstream adoption. The number of users is growing, new vendors are popping up around the world every day, and existing vendors are consistently growing at a rapid pace. As quoted recently in the Wall Street Journal, IDC believes the number of Web conferencing users world-wide is projected to increase to 107 million in 2005, up from 79 million in 2003 and 61 million in 2002. Nearly a third of the users surveyed said they had tried the technology in the past 12 months for the first time.

Revenue by Region ³	2000 (US\$M)	2001 (US\$M)	2002 (US\$M)	2003 (US\$M)
Worldwide	212.0	329.7	423.5	507.0
North America	152.8	230.1	302.8	382.1
Europe	38.4	64.0	79.0	82.2
Japan	8.1	12.6	15.1	14.8
Asia/Pacific	9.1	17.1	19.3	21.2
Latin America	2.0	3.4	4.1	3.9
Middle East & Africa	1.5	2.6	3.2	2.9

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³Gartner Dataquest Market Statistics report on Collaborative Software, 2000 - 2003

The industry has definitely arrived and the usage of premise-based solutions continues to grow.

Revenue by Industry ⁴	2000 (US\$M)	2001 (US\$M)	2002 (US\$M)	2003 (US\$M)
Agriculture, Mining & Construction	2.6	4.3	5.1	6.2
Communications	15.3	25.9	30.2	37.3
Education	9.5	15.3	20.1	25.8
Financial Services	35.6	49.9	61.2	72.6
National/International Government	13.3	19.7	27.0	37.2
Local/Regional Government	6.3	10.1	14.1	16.9
Healthcare	11.0	15.7	21.7	25.7
Manufacturing	29.0	52.0	71.4	85.8
Services	28.0	38.0	44.2	50.9
Retail	8.5	13.3	15.7	16.4
Wholesale	9.2	14.0	18.2	21.0
Transportation	7.1	9.4	11.5	12.2
Utilities	7.0	9.5	12.2	14.2
Other Verticals	2.7	3.5	3.9	3.2

Premise-Based vs. ASP-Based Adoption

Within the adoption of Web conferencing is also the discussion of which is being adopted at a faster rate, premise-based or ASP-based solutions? Meta Group predicts that over the next five years, Web conferencing will undergo radical changes as deployments gradually move away from a hosted model toward on-premises execution, and as the service is woven into business applications. Meta Group also estimates that by 2007 over 90 percent of global 200 companies will utilize Web conferencing solutions with 65 percent of all deployment being install-based premise behind the corporate firewall.

The industry has definitely arrived and the usage of premise-based solutions continues to grow. Although premise-based solutions provide many benefits, a driving factor is the rapid rate of return. IDC actually estimates that the average time to earn back investments in Web conferencing tools was two months.

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⁴Gartner Dataquest Market Statistics report on Collaborative Software, 2000 - 2003

With the constant growth and change of the Web conferencing industry, it may seem difficult to analyze all of the offerings and players available.

Who Prefers Premise-Based Solutions?

Effective communication is essential to all companies and employees, but some users particularly embrace premise-based solutions. For them, the benefits of Web conferencing extend beyond saving money for travel costs. These individuals leverage Web conferencing to realize returns in improved communication, productivity and overall efficiency.

Conference Users - Prefer premise-based solutions to ASP solutions because of the high-volume of usage for often daily meetings.

Executives/Financial Managers - Prefer premise-based solutions to standardize communication and costs company-wide, improve worker productivity, and maintain competitive advantage.

IT Managers - Prefer premise-based solutions because of the increase of control, scalability, and ease of installation and implementation.

Choosing Between Premise-Based and ASP-Based Solutions

Key Considerations

With the constant growth and change of the Web conferencing industry, it may seem difficult to analyze all of the offerings and players available. Businesses face several challenges in selecting the right solution and vendor. Below are some items to consider when evaluating a solution:

Flexibility - Choose a solution that meets all of one's collaborative needs, now and in the future. Does the solution allow users to share documents, annotate a wide range of documents including spreadsheets, presentations, and graphic files? Can the documents be added during a conference already in progress? Can the presenter pass control to other participants? Does the solution provide tools to the presenter to ask questions and tabulate results? Does the solution provide multipoint video?

Ease-of-Use - Make sure the solution is easy to use for both the presenters and attendees. The most important component is ensuring that access to the system and joining sessions is as easy as possible. Are the tools ready to use? Is the user interface intuitive? Is online help available?

Scheduling - Web meetings should allow spontaneity and advanced scheduling options. Does the solution cover scheduling needs such as attachments, making the meeting public or private and the option of password protected meetings?

Security - Security is increasingly becoming an important concern for all Web conferencing users. The Web conferencing session should be fully secured using strong encryption such as CAST 128-bit encryptions and/or SSL, making all Web conferencing and business collaboration data totally secure. Because the equipment of an ASP exists outside the user organization's corporate firewall, it is necessary to transfer confidential information outside, making it vulnerable to unauthorized viewing. This is a matter of concern to any organization that is serious about guarding its business assets and communications.

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Many users make the mistake of underestimating usage and outgrowing the solution.

Integration - Does the system need to integrate with current solutions such as Microsoft Office®, Internet Explorer®, a Learning Management System (LMS), email, etc?

Scalability - Many users make the mistake of underestimating usage and outgrowing solutions. Is the solution scalable and does the system allow users to easily add additional seats?

Financially Stable - If the company is a publicly-held company, financial information is easily available on the Internet. It would be a big mistake to select a vendor that is financially unstable.

Good Support - Try joining some of the vendor demonstration programs or other events as an attendee. Evaluate how easy it is to access technical support.

Cutting Edge but not Risky - Find a vendor that offers not only a proven technology, but also a cutting-edge solution.

Premise-Based Myths

There are many myths surrounding premise-based solutions that need to be addressed and eliminated up front.

Complications with Installations - Installations are very easy and can typically be installed in less than 20 to 30 minutes.

Heavy Administration - Normally, the only time maintenance is needed is when the solution is upgraded.

IT Department is required - For smaller companies that do not have an IT department, many vendors can easily manage servers remotely. Some also offer a co-location option.

Licenses are assigned to individual people - Most applications are based on concurrent user licenses. So, for example, one could buy 100 licenses but have 1000 people who have access to use the system.

Annual License Renewal - There is a misperception that premise-based licenses must be paid again each year. This is not true. Most premise-based solutions have a one-time, fixed cost or perpetual license fee.

Annual Maintenance Fees - There is a myth that the annual maintenance fees are outrageous, but the fees are normally at most 16 percent of the purchased price. This 16 percent includes support, any upgrades, and new versions.

External Attendee Access - Some believe that because a solution is installed in-house that outside meeting attendees, such as customers and partners, will not be able to join. This is completely false. External attendees can be invited just as easily as internal employees.

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Premise-based solutions allow for unlimited usage which significantly increases adoption and produces a faster ROI.

Pricing Structures

With an ASP-based solution, users can rent or license solutions that are hosted with the vendor. This option provides flexibility with various pricing models.

Per minute - This pay-per-use model is more expensive, but is a good way to start as users evaluate how frequently Web conferencing will be used.

Month-to-month - For frequent users who do not want to sign an annual contract, a month-to-month seat option works well. Typically billed on a credit card, this option can be cancelled with a 30-day notice. Monthly plans are often “pre-packaged” for five or 10 participants.

Annual seats - For frequent users of Web conferencing, it is best to purchase seats providing unlimited use for a year.

Overage fees - Costs can add up quickly.

However, with a premise-based solution, users do not have to worry about counting minutes or calculating how many seats could be bought to decrease expenses. Premise-based solutions allow for unlimited usage which significantly increases adoption and produces a faster ROI.

Premise-Based Web Conferencing vs. Traditional In-Person Meeting

Premise-Based, Web Meeting	Traditional, In-Person Meeting
Attendees: 10	Attendees: 10
Number of Meetings: 2/month or 24 annually	Number of Meetings: 2/month or 24 annually
Duration: 2 hours	Duration: 2 hours
Premise-Based Web Conferencing License: - MSRP at \$4,319/10 Concurrent License (fixed, one time investment, unlimited usage) Subtotal for 10 people: \$4,319 Telephone Conference:* - Per Minute toll free: \$.10 - Per Meeting with 10 people for 2 hours: \$120 Subtotal for 24 meetings: \$1,800	Costs Per Meeting: - Room Fee: no charge since stayed in hotel - Airfare for 10 people at \$300 each: \$3,000 - Hotel for 10 people at \$150 each: \$1,500 - Meals at \$50/person for 1 day: \$500 - Transportation, tips, other: \$1,000 Subtotal Per Meeting: \$6,000
TOTAL for 24, two-hour meetings: \$7,199	TOTAL for 24, two-hour meetings: \$144,000

*NOTE: The telephone conference in column one is replaced with an Inter-Tel VoIP option to save money.

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Security is increasingly becoming an important issue for all Web conferencing users.

Premise-Based vs. ASP-based - Per Seat Comparison

Premise-Based, Web Meeting	ASP-Based Web Meeting
Seats: 15	Seats: 15
Number of Meetings: unlimited usage	Number of Meetings: unlimited usage
Duration: unlimited usage	Duration: unlimited usage
Premise-Based Web Conferencing License: - MSRP \$5,759 (fixed, one-time investment, unlimited usage)	Web Conference Tool: - Price per seat: \$150 - 15 seats: \$2,250 per month
TOTAL: \$5,759 for a year of unlimited usage (this covers the 24 meetings and beyond since the license fee is only paid once)	TOTAL: \$27,000 for a year of unlimited usage

*NOTE: The telephone conference in column one is replaced with an Inter-Tel VoIP option to save money.

Why Choose Inter-Tel?

About Inter-Tel

Inter-Tel (Nasdaq: INTL) offers value-driven communications products; applications utilizing networks and server-based communications software; and a wide range of managed services that include voice and data network design and traffic provisioning, custom application development, and financial solutions packages. An industry-leading provider focused on the communication needs of business enterprises, Inter-Tel employs over 2,000 communications professionals, and services business customers through a network of approximately 59 company-owned, direct sales offices and over 350 authorized providers in the United States, United Kingdom and Japan.

Inter-Tel Web Conferencing Advantages

Security

Security is increasingly becoming an important issue for all Web conferencing users. Inter-Tel Web Conferencing relies on industry standard SSL and HTTPS for the encryption of “front-end” transactions, such as user logins and management functions, registrations, scheduling, and other similar transactions. The Inter-Tel Web Conferencing server solution can be fully secured using server certificates and SSL, making all of your Web conferencing and business collaboration data totally secure. In addition, Inter-Tel Web Conferencing provides three other layers of security. First, there is the 128-bit, on-the-fly, dynamic encryption for all meetings, which delivers the highest level of protection required for enterprise data communications. Secondly, all meeting have the capability to lock out anyone (close the door after the meeting has started) from joining the meetings and the ability to make the meetings private and password protected. Lastly, users have control over which firewall ports to open.

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As usage increases within an enterprise, the installed server solution makes sound financial sense...

Integration and Customization

Inter-Tel's Web Conferencing allows a company to integrate Web conferencing into the enterprise's existing infrastructure and applications. For example, integration can include interfacing with employee directories such as Windows/LDAP/Active Directory and Radius Authentication or initiating a Web conferencing meeting by integrating into the organization's workflow applications such as email or a learning management system.

Fast and Easy Install

With Inter-Tel's Web Conferencing solution users can be up and running in a matter of a few minutes. And if necessary, adding additional licenses from 10 to 1000+ can be accomplished by inserting a new serial number and verification key.

Spontaneous Online Meetings

Inter-Tel's Web Conferencing server solution allows users to instantly launch a meeting by clicking on the Web conferencing desktop icon. The icon can reside on a desktop or on the Microsoft Office® (Word®, PowerPoint®, Excel®), Microsoft Outlook® or Internet Explorer® tool bars.

No Client Install

When using Inter-Tel's Web Conferencing solution, all a user needs is a PC, an Internet connection and a Web browser. Because Inter-Tel's Web Conferencing solution is installed on the Web server, no additional software is required on the host or attendee personal computer, everyone is software-free.

ROI

The Inter-Tel Web Conferencing installed software option offers several advantages for companies that use Web conferencing and remote access and support. As usage increases within an enterprise, the installed server solution makes sound financial sense, delivering ROI that begins within one, two to three months or sooner.

Customer Service

Customer service is the number one priority at Inter-Tel. Every step of the way from the initial contact to after the sale, our customers will receive the training, support, and customer service required to make every online meeting a success.

Conclusion

Web conferencing is an extremely powerful communications tool. Implementing a Web conferencing meeting should be easy-to-use, reliable, and cost-efficient for your business. Historically, traditional Web conferencing has been anything but. Inter-Tel's scheduled or on-demand Web conferencing is as easy as a traditional telephone call.

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For further information on Inter-Tel Web Conferencing, please review the Inter-Tel Web Conferencing Features Overview and Minimum Requirements document posted on <http://www.inter-tel.com> – click for more details.