

***Renegades & Rogues:  
Taming the Chaos  
of the Unsanctioned  
Web Conferencing Buy***

***The Business Case  
for Standardized  
Web Conferencing  
in the Enterprise***

# **Renegades & Rogues: Taming the Chaos of the Unsanctioned Web Conferencing Buy**

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Enterprise*



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## Executive Summary

*Renegades & Rogues: Taming the Unsanctioned Web Conferencing Buy* explores how the consolidated purchasing of Web-based conferencing and collaborative solutions can address certain challenges faced by the enterprise. This white paper describes how this medium typically gets deployed in the enterprise, and how IT organizations are moving towards ownership and consolidation of web conferencing in order to maximize efficiencies, economies of scale, and return on investment (ROI). Web conferencing offers opportunities for departments, business units, and enterprises to meet their objectives while “minting” cash through calculable ROI.

Often the medium is introduced to an organization because a particular department decides it has a need and a suitable application, but not because the IT organization has been involved in the decision-making and implementation process. As a result, the impact can include:

- Multiple platforms & service providers creating unanticipated demand on a corporate infrastructure.
- Failure to get the best possible prices and save money.
- Departmental and application silos that lessen the chance of synergies and spreading usage throughout the enterprise.
- Failure to leverage the benefits of Internet Protocol (IP) technologies.
- Failure to track expenditures and maximize ROI.
- Failure to maintain control, management, and security guidelines.

At its worst, rogue buying results in rogue spending at a time when enterprises need to achieve the opposite - complete control over spending. Enterprises are at various stages in the web conferencing adoption cycle, and are struggling to address rogue buying in various ways and to varying degrees of success. Three case studies are described in this white paper that describe that struggle, and explore how standardization on one or a handful of platforms and service providers can be beneficial to an organization. These include:

- A global energy firm that found an alternative to the long, tedious and expensive process of building its computer based training, while also creating an integrated environment between its enterprise software and the web conferencing platform.
- A financial services firm that is seeking significant cost reductions (to the tune of \$17 million USD) while protecting customer data through secure conferencing platforms.
- A manufacturer’s sales organization that “owns” its own sales initiative, and through program incentives, mentoring, and executive leadership produced a dramatic improvement in bottom-line profits.

Wainhouse Research believes the benefits of consolidating on one or a handful of platforms and providers are undeniable and many. They include:

- The ability to leverage existing technology infrastructure.
- The ability to drive usage into other areas of the organization.
- The ability to track usage and provision more effectively.
- The ability to maintain management and control.

- Improved focus on core business through seamless integration into enterprise software and workflow.
- Cost savings through better-negotiated contracts and cost-efficiencies.
- Scalability of web conferencing software to enterprise-wide deployments.
- Easier “push” of other software or other procedures throughout the organization.
- The ability to add a layer of intelligence to the entire provisioning process.
- Streamlined services.
- Standardized billing and chargebacks.
- Improved productivity and better and faster decision-making.
- Increased payback of resources.
- Improved mechanisms for ensuring security of all-important company data and intellectual property.

Sound practices exist for implementing one or a handful of web conferencing platforms and services. With corporate spending in a constant state of scrutiny, and organizations increasingly on the lookout for new ways to drive productivity and bottom-line revenues, the enterprise that addresses rogue buying stands to benefit in many powerful ways, both at the process level and in its impact on the bottom line.

## **Business Needs Today**

### ***Productivity, Growth Pressures***

Anyone managing functional areas within regional, national, or global enterprises - or managing business units within large enterprises - understands that recent economic conditions have eliminated anything approaching a casual attitude about productivity. Tremendous pressures have been placed on enterprises to do more with fewer people, fewer capital expenditures, and tighter controls over operations spending. The pressures are ultimately to be faster as an organization while making better decisions.

All of this has occurred while globalization has created the need for even greater communication over distance with employees, customers, business partners, and suppliers. This has resulted in significant challenges to creating efficiencies in a number of areas, such as:

- Planning
- Business operations
- Productivity
- Time to market
- Training
- Deployment of technology

This white paper explores how web-based conferencing and collaborative solutions can address these challenges, how this medium typically gets deployed in the enterprise, and how IT organizations are moving towards ownership and consolidation of web conferencing in order to maximize efficiencies, economies of scale, and ROI.

## **Web Conferencing in the Enterprise**

### ***Web-Based Conferencing and Collaboration Defined***

In its simplest form, web conferencing consists of the delivery of a presenter's PC-generated graphical and spoken information to an audience of individuals, in real time, by using web browsers, Internet Protocol (IP) network connections, and public switched telephone network (PSTN) or newer Voice-over-IP (VoIP) audio capabilities. But that simple definition often falls short of capturing what is possible using the medium. It can support synchronous, real-time communications - and easy, effective asynchronous (non- real-time) delivery of those same communications in archived formats. It can support not only delivery of PowerPoint presentations or a PC-based application as it appears on a screen, but also (depending on vendor capabilities) any combination of shared white boarding, web co-browsing, text chat, "Presence" indicators, polling, hand raising or mood indicators, file transfer, scheduling and notifications, and reporting capabilities. It can be structured to be as interactive or non-interactive as a presenter wishes it to be. And it can be as scheduled, or as ad hoc, as a standard telephone call or a meeting down the hall. For the purposes of ease of reading, we use the generic term *web conferencing* herein to represent the concept of web-based conferencing and collaboration.

### ***How Web Conferencing “Creates” Gold***

Like the other more “traditional” conferencing technologies such as videoconferencing and audio conferencing, web conferencing may or may not replace some of the ordinary *in-person* business activities an organization normally conducts. It can serve as an alternate solution when time-sensitive information is at play, which can be used to communicate, motivate, educate— - and then to provide an environment for tracking and creating accountability. Ultimately it can become as much a part of a corporate culture as the lunchroom, the voice mail system, the annual Christmas holiday party, and the monthly or quarterly meeting.

Web conferencing also offers opportunities for departments, business units, and enterprises to meet their objectives while “minting” cash through calculable ROI. Often this medium is introduced to an organization because a particular department decides it has a need and an application suitable for the technology. Some of the particular functional areas and the applications those areas find attractive include:

- > Training - Technical training, new product and just-in-time-training, storage and retrieval of training, hard and soft skills courses.
- > Product Development - Meetings, project updates, collaborative teams.
- > HR - Meetings, internal communication of policy and procedures, administration.
- > Sales and Marketing - Sales readiness, sales meetings, sales training, new product introductions, external product launches, channel meetings, web seminars.
- > IT - Internal meetings, customer support, technical training, software application delivery and deployment.
- > Finance - Sarbanes-Oxley communications and enforcement.
- > Logistics and operations - Planning and review meetings, partner meetings, ad hoc emergency response.

Many of these are internal applications, and many are external, customer - or partner - related activities. Each functional area may become the source of a web conferencing champion and introduce this somewhat “viral” technology into the enterprise. Any functional area can become a kind of mint if it successfully mines the capabilities of web conferencing and uses it to drive business goals. The challenge for the enterprise as a whole, however, occurs when a proliferation of different solutions pop up all over the organization. What does this mean for IT, and for the enterprise striving to mint as much gold as possible from this new productivity lever? Although Wainhouse Research believes web conferencing has a viral component, it is also quite easy for different vendor silos to develop, as a result of different types of “power users” not finding ways to empower or enable other users. Though easy to use, web conferencing is like public speaking: some do it better than others by nature, and some do it better with practice or training. With a proliferation of solutions popping up, it becomes that much more difficult to harness the medium and make best use of its capabilities.

## **How Some Companies Deploy Today**

### ***“Renegades & Rogues” Defined***

Rogue buying – that is, the unsanctioned, often “hidden” purchasing of web conferencing services - is a common practice in many enterprises. This occurs for complicated reasons, but at the user level it is because those “dashing” rogues believe they are doing a good thing by solving their immediate problems. Rogues simply go their own way, ignoring established protocol - or are simply being roguish because they are forced to find methods and techniques when none exist. After all, who can blame them if they get results - and when they sometimes argue that they have saved money using web conferencing? Yet without planning and careful implementation controls, an implementation can founder on rough seas, and fail to take advantage of all that it offers in the way of ROI.

A Wainhouse Research survey conducted in 2002 indicated that purchasing decisions concerning web conferencing were made by individual departments 43% of the time, by individuals 38% of the time, and by a central buyer a slim 19% of the time.<sup>1</sup> While some (particularly at the departmental level) might argue departmental purchasing decisions are sufficient, anyone who has ever consolidated spending on technology (or other products) would agree that costs per unit (whether minutes, ports, or licenses) can be reduced through the leverage of volume and negotiated contracts. And with only one out of five purchase decisions being made by centralized buyers, room clearly exists for a maturing of the deployment process in the average enterprise.

The financial impact can be severe. Far too many enterprises fail to understand what they are spending on telephony in general. At best, IT or purchasing agents are turned into internal “agents of change” (or spies) who must rummage through the trash or random, multiple accounts payable databases in all their “spare time” to determine where and how long distance expenses are occurring. This problem historically placed in the venue of telecom spending threatens to be emulated in the web conferencing arena.

Alternatively, the responsible conferencing manager may understand the enterprise’s spending on multiple service providers and platforms, but still needs to create the business case for consolidating spending activities. Among the scenarios described later in this white paper is a description of how one financial services firm has so many external service providers and in-house platforms, its conferencing services manager can save millions of dollars by consolidating purchasing, reducing the number of platforms and service providers, and negotiating for better rates. Yet this director got to this point precisely because the organization lacked centralized oversight of the web conferencing life cycle and purchase process in the first place.

### ***The Impact of Failing to Tame the Rogue: Special Challenges***

Issues arise when an enterprise or its IT department is unaware of rogue buying, does not consider it worth the hassle of centralized control, or takes steps toward standardization only after several vendors have already come on the scene. These include:

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<sup>1</sup> Riding the Web Conferencing Tsunami, Wainhouse Research LLC, 2003.

- Multiple platforms and service providers and their impact on IT - Multiple platforms have a concomitant impact on an IT organization, which may not have oversight over the actual relationship with the vendors, but undoubtedly has oversight over the transport network and the devices on which the medium is deployed. In other words, if an applet or plug-in does not do what it is supposed to do, should the employee call the service provider or the IT department (or both)? While savvy service providers do their best to help users, there is only so much one can do in the area of helping those who are confused.
- An unanticipated, difficult-to-manage impact on corporate resources, network, and security.
- Departmental and application silos that lessen the chance of synergies.
  - Besides leading to lack of control over the hard costs associated with web conferencing spending, silos lead to inability to control the soft costs (such as training and productivity). No organization wants five different ways to accomplish the same objectives, with five different sets of tools and training activities.
  - When individual departments behave “roguishly,” they may actually reduce the likelihood of “mainstreaming” a technology. The fact is, an individual’s interaction with technology can become, for better or worse, extremely *personal*. While departments deserve input into vendor selection, when left to their own devices they may or may not select a vendor that’s right for the entire organization. That vendor, however, will become very dear to the department, or individuals within the department, making it much harder to standardize later on an equivalent quality service provider or platform vendor.

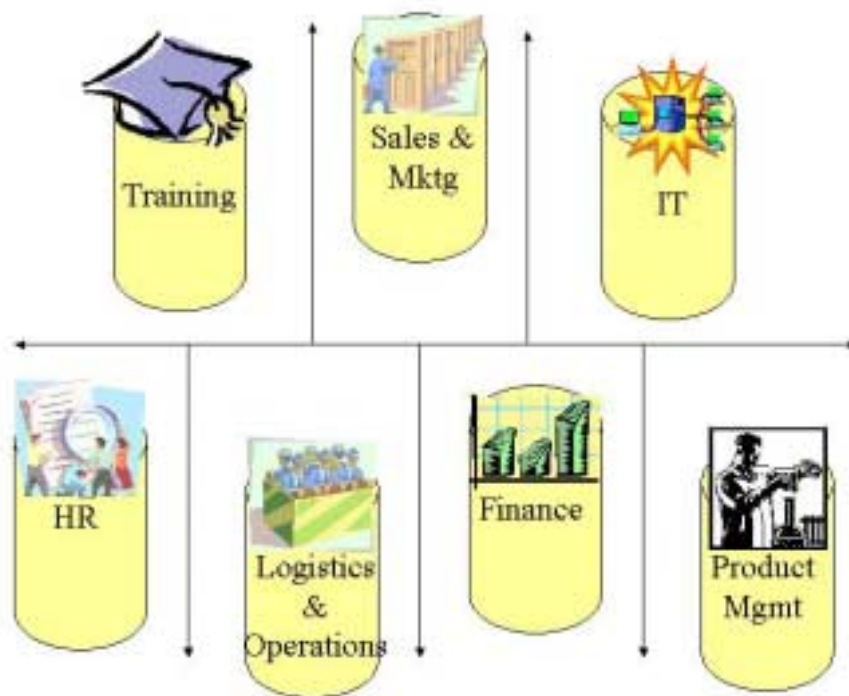


Figure 1 Functional Silos Fail to Achieve Fast Payback and Faster Time to Market

- Failure to leverage the benefits of IP technologies - This can result in higher per minute/port/license rates than necessary, and it can lead also to failure to leverage IP itself. Whereas it was acceptable practice for audio and data networks and costs to be handled separately in 1998, in 2003 and going forward the benefits will be reaped by those organizations that understand how to best manage audio and data - together. IP actually creates mechanisms for greater understanding of those traditionally difficult-to-monitor costs.
- Different individuals with expenditures difficult to track - In keeping with the previous point, if the corporation does not provide the mechanisms for a savvy rogue to get the job done, that rogue will figure it out. This can include expensing web conferencing costs on monthly expense reports, general department budget line items, or “other” non-specific categories of spending.
- Lack of control, management, and security - Few end users can ensure that web conferencing is deployed securely; only IT is positioned to ensure security, and create the processes on top of the technologies that protect data and corporate privacy.

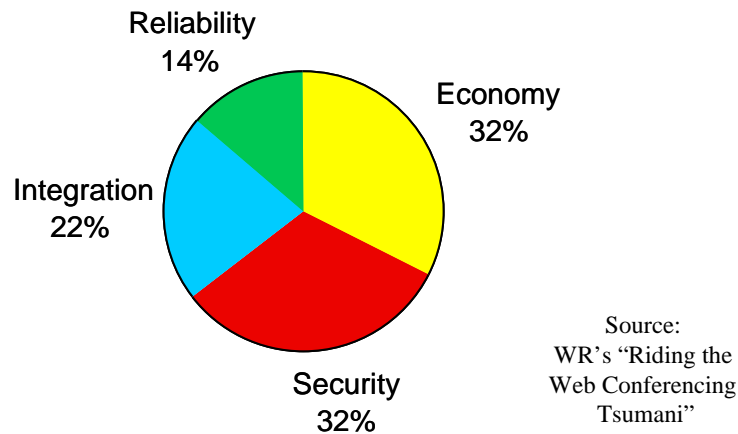
Rogue buying can lead to other challenges, such as creating a “drag” on moving ahead to consolidate. These include:

- The “consolidating” group may not wish to take on centralized operational responsibility, based on other priorities.
- Political hurdles may make it difficult to mandate against ensconced departmental favorites, and it may become difficult to get everyone to agree on a set of standards. The organization driving for standardization may need to make unpopular compromises when no one vendor can deliver a product or service that will satisfy all needs.

Some of the organizations interviewed by Wainhouse Research for this white paper have tactical methodologies for selection of web conferencing vendors; others apply the same best practices they are accustomed to using for strategic technology purchases. A very few seem to be organized by chaos, driven by technology fancy, application-specific usage, or whim. Many of these are in the early stages of the adoption cycle and are only beginning to grapple with the impact of rogue buying.

The fact is, “renegades” went crazy for web conferencing in the past few years because all they needed was a browser and a credit card (or, in the case of NetMeeting, Microsoft platforms). The same Wainhouse Research survey described earlier indicated that, as a result of the “viral” spreading of web conferencing, enterprises were divided into three major “camps” concerning the desire to consolidate purchasing and to standardize. Not counting those who choose to use service providers only, the greatest number were those that wanted to bring some control to purchasing because of the need to improve efficiencies in spending (economics) or that had security concerns, followed closely by those interested in greater capabilities to integrate the web conferencing platform into workflow processes and enterprise software. The final, smallest group wished to be able to take responsibility for reliability and felt that only they could guarantee reliability.

### Why host your own Web Conferences?



**Figure 2 Stated Reasons for "Owning" Web Conferencing Server(s)**

Some organizations approach enterprise software with an “if it’s strategic we’ll own it, if it’s tactical we’ll use ASP’s” attitude. Others find ways of starting out with a service provider strategically, with the plan to bring the technology in-house over time to control costs - perhaps while still using the service provider for specific applications, special events, or extra capacity requirements. Still others are perfectly happy with a specific service provider, perhaps because their audio provider adds web conferencing to a contract at favorable rates. This white paper is not intended to argue one way or the other concerning the merits of owning the platform vs. using an external service provider - in many cases there may be valid reasons for deploying web conferencing using both models. In fact, one ideal approach is to identify a web conferencing solution available in both ASP and on-premises versions, so that customers who wish to initially deploy the ASP version, and then migrate their deployments over time to on-premises, can do so without user and IT retraining. Either way, Wainhouse Research believes that there is gold in standardizing on *one or a very few web conferencing platforms and service providers* - and to bringing process to bear where it has been lacking.

As in the example of the financial services enterprise mentioned earlier, and the case studies to follow, if an enterprise consists of a conglomeration of unsanctioned silos, the opportunity exists to save significant dollars by consolidating the purchasing process – or by managing purchasing from a centralized perspective right from the beginning. Out of these situations heroes and “rogue-busters” are made.

### **Standardization and Discovering the Gold**

Standardization offers a number of benefits that can turn those web conferencing rogues into upstanding corporate citizens who dress well even on casual Friday. This is because it can solve a variety of corporate *points of pain*, whether deep cuts or flesh wounds.

The mints, or rogue departments described earlier, share one major attribute: often their deployments of web conferencing do not scale. Training decides to deploy but Sales lacks interest in training's "academic" application. Engineering or Product Development deploys its own preferred solution but Marketing prefers an alternative vendor that supports event registrations and/or polling. A \$250,000 investment in one platform in one department, *paid for by that department*, nonetheless may leave the planful CIO or the rogue-in-search-of-redemption scratching his or her head with the thought, "I know I can drive adoption that will help us reach our objectives, get to market faster, and drive dollars to the bottom line - but how do I champion this across the enterprise?"

The best way is to find the points of pain and seek more than just band-aids. Typically these points of pain can be anywhere in an enterprise; the focus here is on a few scenarios and types of applications with which virtually any enterprise might be faced. These scenarios are based on interviews with a combination of CIO's, training managers, collaboration or conferencing managers, and sales and marketing executives, and zero in on blends of sales, training, and IT initiatives.

The value propositions each enterprise discovered varied. This short set of descriptions of value propositions are expanded on in the following sections:

- An energy firm's training organization accustomed to spending months - and many thousands of dollars - creating computer based training (CBT) modules and self-paced courses finds an alternative to the long, tedious and expensive process of building these modules and courses - while also creating an integrated environment between its enterprise software and the web conferencing platform. (Web conferencing is fast becoming a substitute for CBT; in many instances the combination of a live web conferencing "event" with an archived version of that event can help an organization meet its training goals.)
- A financial services firm seeks significant cost reductions while protecting customer data through secure conferencing platforms.
- A manufacturer's sales organization "owns" its own sales initiative, and through program incentives, mentoring, and executive leadership produces a dramatic improvement in top- line revenues resulting in significant improvement in bottom- line profits..

These three enterprises are at different stages of the adoption cycle and thus range in their degree of concern for consolidating buying from minimum to maximum – and in their ability to do so. They go from simplest to most subtle, most anarchic to most stable. The first example shows that even a "rogue-challenged" organization can obtain ROI. But it also shows just how difficult it can be when no central rogue-buster comes along to solve the inherent challenges of inherited legacy technologies.

### ***The Global Energy Company - Training and Enterprise Software Integration***

This global oil and gas giant has three different platforms and service providers for web conferencing, and is likely over time to standardize on at least two of these products. This enterprise has a clear delineation between and rationale for different products (some of which is the result of a large merger with some inherited technologies that it is attempting to leverage). It uses one internal enterprise platform for *all* e-learning and

SAP projects; one (inherited post-merger) internal enterprise platform for electronic internal meetings; and one service provider-based platform for certain types of external meetings with partners and customers.

In its case the first internal platform is crucial for its integration with SAP, and the second because the company has considerable investment (and a momentum to maintain) in the groupware and collaboration platform it inherited. The service provider is in a pilot application for external meetings but not likely to gain permanent status for reasons of security - and because this enterprise is still determining exactly how to handle external partner meetings.

For training, it takes subject matter experts (SME's) who deliver technical training, gives them co-teachers from the training organization (to ensure that the SME's are effective as teachers), records the class, has the PowerPoint slides and audio converted into Flash materials, and very inexpensively converts an 8-hour course into a 90-minute archived virtual classroom. The cost and time-to-delivery of this is minimal compared to traditional CBT. Meanwhile, this enterprise requested that the web conferencing vendor integrate into SAP, turning the web conferencing platform into the mechanism for easy delivery of training on SAP capabilities from within SAP. It now has a single, seamless mechanism for utilization of enterprise business software and training on that software.

This capital-intensive company manages capital expenditures tightly. Part of its capital management cycle entails requiring that business unit investments include commitment to a business model that leads to streamlined costs and payback measurable within 18 months. If after that time auditors fail to find the payback, the organization may lose headcount as a result. For its very first training project, the internal client reduced a \$10M travel budget for technical training by obtaining over 100% in savings on travel. We believe it could do even better were some oversight applied to the management of web conferencing adoption. As this enterprise admits, it is only beginning to deal with Quality of Service, bandwidth, security, and other issues related to this medium.

### ***The Banking and Financial Services Enterprise - Cost Reductions and Security***

One national financial services firm is "paying through the nose" with six different outsource vendors for audio and web services, plus two internal web conferencing servers and an internal audio bridge. This enterprise is paying for 9 million minutes of audio per month, not counting web conferencing spending. Even with rates of fewer than 6 cents per minute for audio and about 20 cents per minute for web conferencing (per user), this

***"We're post-merger, so we have cobbled together a combination of internal platform for e-learning, legacy groupware for e-meetings, and a service provider solution pilot for external meetings. We're stymied on the e-business side with the service provider, because of perceived concerns about security and a very real lack of bandwidth in some remote parts of the world."  
Manager, Knowledge Management & E-Learning Initiatives, Global Energy Company***

organization has determined that it can save \$17M by consolidating its purchasing - and still charge back to its customers far less than they pay today.

Currently the IT organization can bill internal customers only for incremental costs such as 800 audio services, not for hardware infrastructure. Even so, by consolidating purchasing - whether through a single negotiated rate with an external service provider, or by bringing the service in-house with a web conferencing bridge - it has determined that it can continue to charge back for audio minutes (just a few cents per minute) and “almost give away the web conferencing.”

The internal platforms offer an additional degree of security that is important when dealing with customer data; traditionally this enterprise has shied away from using external web conferencing service providers out of security concerns. Though it has layers of security processes, with specific guidelines for usage of external service providers versus the internal conferencing platforms, it believes that security helps make the business case for bringing the services in-house. After

departmentally separating audio conferencing from videoconferencing some years ago, it now finds the pendulum has swung in the other direction and that, as its director of conferencing indicated, “it’s no longer just voice.”

***“We’re paying through the nose with so many different outsource vendors. Over our current practices we can save over \$17 million annually. This is a real easy sell internally.” Director, Conferencing Services, Fortune 500 Financial Services Firm***

### ***The Manufacturer - Sales Initiatives and Training***

This global enterprise’s CIO describes his IT organization as trying to focus on cross-functional platforms and applications, while delegating “point solutions” into different business units based on their respective degrees of “tech savvy.” When he discovered three web conferencing initiatives (using two different products) in various stages of deployment (beginning in technical education, spreading like a virus into other training groups), it was apparent that his rogues were getting restless and that he needed to examine an enterprise solution.

After taking a look at the enterprise’s global needs for training and education, he engaged some functional groups *not part of the initial implementations*. This included a controlled experiment within the sales organization. The goal was not to think “distance learning,” but instead to find other groups within the organization that could utilize web conferencing *in addition to Training*.

One way to sell the trial was by finding an initiative central to the organization: a program to reduce discounts given by sales representatives. The trial of the web conferencing platform became more a matter of collaborative meetings with “mentoring” from senior executives than a matter of trialing

***“After it sprang up as an alternative to CBT, we did a controlled experiment in our sales organization. The reaction from the team and the management group was outstanding; they called ME to talk about how to finance it!” CIO, ‘Fortune e-50’ Technology Manufacturer***

technology. Yet the trial took advantage of some ambitious goals that ultimately drove margin dollars (in the double-digit *millions*) to the company's bottom line.

The results were spectacular, as weekly meetings (attended by most of the sales organization because of the executive champions) led to greater feedback from the field, realignment of certain product pricing and feature sets that rippled through the Marketing organization, on top of the bottom-line impact. As the CIO involved said, "Rarely have I found in 20+ years of doing this, such acclamation for a product. Usually people are empathetic, but some larger group is ambivalent or prefers something else. This (solution) has appeal to our broader business applications, and is not just a technical point solution." In this scenario the issue is not about how to save money, but instead is about how to use a technology solution to help the organization *make money*. As a result of the major revenue enhancement, the VP of Sales enthusiastically signed off on a significant capital expenditure to fund the deployment he needed, which also led to additional applications throughout the enterprise purely as the result of the high visibility of the trial's results.

This enterprise will only consider an internally hosted solution with strong security features where it can control and monitor security. Because it uses web conferencing to deliver mission critical information and proprietary data to train external partners, it can have absolutely no "leakage" of company data. So while it is a strong believer in the ability to reach ROI faster with service provider partners, it found it necessary to create the same security model for its web conferencing as it utilizes for its ERP and CRM solutions

### ***A Note on the Role of the Champion***

The above scenarios share certain characteristics - as dissimilar as they seem on the surface. One of these is that they all have some degree of executive sponsorship, which can be crucial in driving usage of web conferencing. In the truly large dispersed organization, there is no substitute for including a CEO or VP of Sales and Marketing (as examples) on internal web conferences as a means of ensuring remote participants arrive and stay for the show. Typically, it is necessary to have the right content, the right presenter, effective marketing, and whatever other elements are necessary to reach people (including the right time of day). This can lead not only to helping to mainstream the technology, but also to reducing the likelihood of rogue buying. High profile sponsors bring visibility to the web conferencing *standard*, while also leading to new initiatives and new applications using the medium.

## **The Benefits of Bringing Rogues into Line**

Standardizing web conferencing purchasing offers a number of benefits only lightly touched upon or not mentioned in the earlier scenarios. These relate to enterprise management and IT organizations.

### ***Management Benefits***

Management benefits begin with the essence of conferencing ROI: if you can drive revenues through a program similar to that of the manufacturer that reduced its sales discounts and thus increased its bottom line, the argument for using web conferencing is

made, even if the desire for consolidating still were to require additional arguments. So a few other management benefits that can be gained from standardizing web conferencing purchasing include:

- The ability to leverage existing technologies. Deploying web conferencing simply needs network and web browsers, not new endpoints or even massive amounts of bandwidth.<sup>2</sup> Thus standardizing, though it may or may not require some capital expenditures, is much more cost-effective than deploying, as an example, an entirely new fleet of vehicles or, for that matter, any capital-intensive technology burdened by extra or hidden support costs.
- The ability to drive usage into other areas of the organization, such as finance, logistics, distribution, operations, and hence achieve the many other benefits across the entire organization.
- Tracking and analysis. Standardizing on one or a few web conferencing vendors provides the ability to track usage and provision more effectively.
- Management and control. The ability to set policy is crucial to the effective technology-using enterprise. Standardization makes it much simpler to offer guidelines for users - and then reinforce those guidelines through policy settings.
- Improved focus on core business. At its best, web conferencing can be integrated seamlessly into an organization akin to a corporate intranet, placing a set of tools in the hands of users for everyday activities.
- Savings. As described earlier, standardization leads to savings through better-negotiated contracts.
- Scalability of software. Most (but not all) web conferencing vendors scale to support enterprise-wide deployments.
- Easier “push” of other software or other procedures throughout the organization. Web conferencing is a natural mechanism for pushing new software applications or training on existing applications, as in the earlier SAP example.

### ***IT Benefits***

The benefits to an IT organization begin with the ability to add a layer of intelligence to the entire provisioning process. This can impact other IT initiatives as well, as it is less consumed by responding to web conferencing-related fires and more able to plan. Already discussed were the ability to control security models, understand applications utilizing resources, and gain synergies in terms of contracts as well as controlling rogues. Other benefits include:

- Greater integration into enterprise software and workflow. The value of integrating web conferencing software into ERP or CRM solutions cannot be overstated. More and more vendors are moving in the direction of supporting integration into SAP, Oracle, and other major business software products, including database products, workflow, and common address books.
- Cost-efficiencies. Standardizing on web conferencing results in cost efficiencies, whether they are based on reducing service provider costs or on supporting fewer platforms.

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<sup>2</sup> This will remain true except in cases of locations that are already difficult to reach due to bandwidth limitations, such as remote locations where bandwidth is costly and limited.

- Streamlined services. By having control over the web conferencing services, the IT organization can create tiers of services, in effect offering streamlined services where desired and more robust capabilities where desired.
- Billing and chargebacks. Standardization brings the ability to create a structured global billing process with built-in data reporting.
- Improved productivity. IT organizations themselves become ardent users of web conferencing, not always without some initial resistance out of fear of the unknown resource consumption they expect. Once convinced, they use web conferencing to handle their own day-to-day business as well as respond to fires.
- Increasing payback of resources. Bandwidth that is paid for is bandwidth that should be used. Increased usage may not increase its value, but it increases its payback.
- Security. In the U.S., with the Sarbanes-Oxley Act came greater sensitivity to the need for absolute security surrounding financial information of publicly traded companies. But the concern for security wasn't invented in 2003, and web conferencing vendors were quick to address security through adding SSL encryption, as well as tools for different levels of authentication and protection of sensitive data. Security remains an issue for all enterprises, but fortunately the vendor community has addressed this issue.

## Conclusion

Wainhouse Research believes that the benefits of “reining in” the “renegades & rogues” far outweigh the impact of doing nothing. With corporate spending in a constant state of scrutiny, and organizations increasingly on the lookout for new ways to drive productivity and bottom-line profits, the enterprise that addresses web conferencing rogue buying stands to benefit in many ways. This is not to say that work is not involved in dealing with the many issues raised by rogue buying. But the potential value and payback are clear and worth taking seriously as one engages with existing and new initiatives in the enterprise.

### *About Centra Software*

Centra Software, Inc. (NASDAQ: CTRA) is a publicly-traded application software company specializing in solutions for real-time web conferencing and collaboration. Over 1,200 organizations worldwide have implemented Centra solutions to increase revenue and improve business performance in applications such as sales readiness and training, application delivery and deployment, web event marketing, and project collaboration and virtual teamwork. Architected for enterprise deployment, Centra applications can be deployed as on-site software or through an ASP service and are supported by an active ecosystem of value-added partners including PeopleSoft, Oracle, Siebel, Deloitte Consulting, EDS, and Cisco. For more information on Centra, please visit [www.centra.com](http://www.centra.com).

### *About the Author*

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#### ***About Wainhouse Research***

Wainhouse Research (<http://www.wainhouse.com>) is an independent market research firm that focuses on critical issues in rich media communications, videoconferencing, teleconferencing, and streaming media. The company conducts multi-client and custom research studies, consults with end users on key implementation issues, publishes white papers and market statistics, and delivers public and private seminars as well as speaker presentations at industry group meetings. Wainhouse Research publishes *Conferencing Markets & Strategies*, a three-volume study that details the current market trends and major vendor strategies in the multimedia networking infrastructure, endpoints, and services markets, as well as segment reports such as *Riding the Web Conferencing Tsunami* and the free newsletter, *The Wainhouse Research Bulletin*.