

INTERACTIVE SESSION: MANAGEMENT

VIRTUAL MEETINGS: SMART MANAGEMENT

Instead of taking that 6:30 A.M. plane to make a round of meetings in Dallas, wouldn't it be great if you could attend these events without leaving your desktop? Today you can, thanks to technologies for videoconferencing and for hosting online meetings over the Web. A June 2008 report issued by the Global e-Sustainability Initiative and the Climate Group estimated that up to 20 percent of business travel could be replaced by virtual meeting technology.

A videoconference allows individuals at two or more locations to communicate simultaneously through two-way video and audio transmissions. The critical feature of videoconferencing is the digital compression of audio and video streams by a device called a codec. Those streams are then divided into packets and transmitted over a network or the Internet. Until recently, the technology was plagued by poor audio and video performance, and its cost was prohibitively high for all but the largest and most powerful corporations. Most companies deemed videoconferencing a poor substitute for face-to-face meetings.

However, vast improvements in videoconferencing and associated technologies have renewed interest in this way of working. Videoconferencing is now growing at an annual rate of 30 percent. Proponents of the technology claim that it does more than simply reduce costs. It allows for "better" meetings as well: it's easier to meet with partners, suppliers, subsidiaries, and colleagues from within the office or around the world on a more frequent basis, which in most cases simply cannot be reasonably accomplished through travel. You can also meet with contacts that you wouldn't be able to meet at all without videoconferencing technology.

For example, Rip Curl, a Costa Mesa, California, producer of surfing equipment, uses videoconferencing to help its designers, marketers, and manufacturers collaborate on new products. Executive recruiting firm Korn/Ferry International uses video interviews to screen potential candidates before presenting them to clients.

Today's state-of-the-art videoconferencing systems display sharp high-definition TV images. The top-of-the-line videoconferencing technology is known as telepresence. Telepresence strives to make users feel as if they are actually present in a location different

from their own. You can sit across a table from a large screen showing someone who looks quite real and life-size, but may be in Brussels or Hong Kong. Only the handshake and exchange of business cards are missing. Telepresence products provide the highest-quality videoconferencing available on the market to date. Cisco Systems has installed telepresence systems in more than 500 organizations around the world. Prices for fully equipped telepresence rooms can run to \$500,000.

Companies able to afford this technology report large savings. For example, technology consulting firm Accenture reports that it eliminated expenditures for 240 international trips and 120 domestic flights in a single month. The ability to reach customers and partners is also dramatically increased. Other business travelers report tenfold increases in the number of customers and partners they are able to reach for a fraction of the previous price per person. MetLife, which installed Cisco Telepresence in three dedicated conference rooms in Chicago, New York, and New Jersey, claims that the technology not only saved time and expense but also helped the company meet its "green" environmental goals of reducing carbon emissions by 20 percent in 2010.

Videoconferencing products have not traditionally been feasible for small businesses, but another company, LifeSize, has introduced an affordable line of products as low as \$5,000. Overall, the product is easy to use and will allow many smaller companies to use a high-quality videoconferencing product.

There are even some free Internet-based options like Skype videoconferencing and ooVoo. These products are of lower quality than traditional videoconferencing products, and they are proprietary, meaning they can only talk to others using that very same system. Most videoconferencing and telepresence products are able to interact with a variety of other devices. Higher-end systems include features like multi-party conferencing, video mail with unlimited storage, no long-distance fees, and a detailed call history.

Companies of all sizes are finding Web-based online meeting tools such as WebEx, Microsoft Office Live Meeting, and Adobe Acrobat Connect especially helpful for training and sales presentations. These products enable participants to share

documents and presentations in conjunction with audioconferencing and live video via Webcam. Cornerstone Information Systems, a Bloomington, Indiana, business software company with 60 employees, cut its travel costs by 60 percent and the average time to close a new sale by 30 percent by performing many product demonstrations online.

Before setting up videoconferencing or telepresence, it's important for a company to make sure it really needs the technology to ensure that it will be a profitable venture. Companies should determine how their employees conduct meetings, how they communicate and with what technologies, how much travel they do, and their network's capabilities. There are still plenty of times when face-to-face interaction is more desirable, and often traveling to meet a client is essential for cultivating clients and closing sales.

Videoconferencing figures to have an impact on the business world in other ways, as well. More employees may be able to work closer to home and balance their work and personal lives more efficiently; traditional office environments and corporate headquarters may shrink or disappear; and freelancers, contractors, and workers from other countries will become a larger portion of the global economy.

Sources: Joe Sharkey, "Setbacks in the Air Add to Lure of Virtual Meetings," *The New York Times*, April 26, 2010; Bob Evans, "Pepsi Picks Cisco for Huge TelePresence Deal," February 2, 2010; Esther Schein, "Telepresence Catching On, But Hold On to Your Wallet," *Computerworld*, January 22, 2010; Christopher Musico, "Web Conferencing: Calling Your Conference to Order," *Customer Relationship Management*, February 2009; and Brian Nadel, "3 Videoconferencing Services Pick Up Where Your Travel Budget Leaves Off," *Computerworld*, January 6, 2009; Johna Till Johnson, "Videoconferencing Hits the Big Times.... For Real," *Computerworld*, May 28, 2009.

CASE STUDY QUESTIONS

1. One consulting firm has predicted that video and Web conferencing will make business travel extinct. Do you agree? Why or why not?
2. What is the distinction between videoconferencing and telepresence?
3. What are the ways in which videoconferencing provides value to a business? Would you consider it smart management? Explain your answer.
4. If you were in charge of a small business, would you choose to implement videoconferencing? What factors would you consider in your decision?

MIS IN ACTION

Explore the WebEx Web site (www.webex.com) and answer the following questions:

1. List and describe its capabilities for small-medium and large businesses. How useful is WebEx? How can it help companies save time and money?
2. Compare WebEx video capabilities with the videoconferencing capabilities described in this case.
3. Describe the steps you would take to prepare for a Web conference as opposed to a face-to-face conference.

Google has developed an additional Web-based platform for real-time collaboration and communication called Google Wave. "Waves" are "equal parts conversation and document," in which any participant of a wave can reply anywhere in the message, edit the content, and add or remove participants at any point in the process. Users are able to see responses from other participants on their "wave" while typing occurs, accelerating the pace of discussion.

For example, Clear Channel Radio in Greensboro, North Carolina, used Google Wave for an on air and online promotion that required input from sales people, the sales manager, the station program director, the station promotions director, the online content coordinator, and the Web manager. Without Google Wave, these people would have used numerous back and forth e-mails, sent graphics files to each other for approval, and spent large amounts of time tracking people down by phone. Wave helped them complete the entire project in just a fraction of time it would normally have taken (Boulton, 2010).