

Aragon Research

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Polycom Takes Bold Steps to Transform the Video Era

Summary: On Monday October 8th, 2012, Polycom announced a new Video Cloud Axis offering, along with updates to nearly all of its products.

Event: Polycom held its first analyst day in more than two years to announce its new vision for ubiquitous video, its transformation to a software company, and an overhaul of its product line.

Analysis: These announcements, combined with recent acquisitions, put Polycom on the path to reinventing itself as a software company and will prepare it for what Aragon Research is calling the Pervasive Video Era. Polycom also announced an open-standards approach to video collaboration, which is a step that the industry needs to enable more ubiquitous video collaboration.

Polycom, one of the largest and most influential video conferencing providers, has seen its success threatened by a slowdown of large enterprise video installations and an explosion of ad hoc video solutions that leverage the power of the Internet and video-capable devices.

Making video ubiquitous is Polycom's lofty aspiration, and solving the industry's problems of complexity, limitations in supported devices, poor interoperability, high cost and cumbersome user experiences are behind its strategy. Polycom is not the first to move toward open-

Topic: Collaboration

Issue: Who are the collaboration providers and how will they evolve?

standards video, but it is well positioned to leverage its installed base through software upgrades and new clients, along with channel partners who can exploit its architecture and openness.

Polycom's new RealPresence CloudAXIS Suite, which provides enterprise-class video conferencing to any HTML5 browser and directory integration with other video and unified communication systems, should prove to be popular with enterprises. Presence integration with Google Talk and Microsoft Lync is a good start. Because of their standards-based architecture, we wonder if Polycom will integrate its presence federation with Cisco Jabber and IBM Sametime.

Polycom also introduced support for an open implementation of the H.264 Scalable Video Coding (SVC) standard. Support for SVC will be provided as a software update to existing and new RealPresence systems. By licensing its open implementation of SVC to the video industry on a royalty-free basis, Polycom sets the stage for more rapid growth through greater interoperability.

Although other vendors, including Avaya, Cisco, Saba and Vidyo have implemented SVC, this is a solid move for Polycom, as they will now be one of the few vendors that offer forward and backward compatibility with AVC/SVC. SVC provides significant cost, performance and scalability benefits, but has until now seen limited success because other SVC protocols

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have been proprietary, creating “video islands” and increasing customer implementation costs.

For ubiquitous access to become reality, the usability of the video conferencing user experience must be improved. Polycom has done an overhaul of the user interface using extensive user input and feedback, creating a simpler and more streamlined experience. New SmartPairing software enables iPad users to be joined to a room system automatically merely by entering the room, and to take an active video session and move it to a group video conferencing system through a simple swipe on the tablet. In addition to solid quality and SVC support for video, Polycom has industry-leading audio capabilities that should not be underestimated.

Aragon Advisory

- Enterprises should develop a robust collaboration architecture that includes video as part of the design.
- Enterprises need to prepare for an explosion of video, and ensure that network bandwidth and client devices are ready.
- Enterprises should evaluate Polycom and other providers of enterprise video solutions.

Bottom Line: Polycom is undertaking a bold transformation. The shift from being a hardware company to providing software in the cloud is a major undertaking. While risky, Polycom’s steps have been positive. The pervasive video era is taking hold, and the tablet era is putting tremendous power and great usability into millions of user’s hands, with ready access to networking. Enterprise strategy for video should be built on segmented needs for users and an expectation of multiple modes of interaction, from dedicated rooms to tablet-based video.

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