Vidyo: On A Mission To Video-Enable The Internet Of Things

Summary: In its fifth round of funding, Vidyo takes $20M to continue its strategy as a video infrastructure player to video-enable the “Internet of things.”

Event: On July 10, 2014, Vidyo announced that it would take $20M in a fifth round of funding from its current investors. This brings its total funding to $139M since the company was launched in 2005.

Analysis

The Internet is changing, and the “Internet of things (IoT) is the next big paradigm. IoT is based on the concept that every object, from appliances to applications, will be network-connected and able to send and receive data. Ultimately, everything that can be connected will be connected.

The video landscape is also changing, and video as part of IoT is its next big paradigm shift. Vidyo realizes this and also that the future is beyond enabling scalable room systems, which was its initial focus. Vidyo has now placed its bets on supporting video-enabled business applications across the enterprise with its VidyoWorks platform, particularly in verticals such as banking, healthcare and government.

Vidyo has been the engine and infrastructure behind several video offerings, including Google Hangouts, enterprise UCC and videoconference products and the video chat function in Nintendo Wii. This enables Vidyo to play a connective-tissue role and be an integration point for video collaboration services. This strategy places Vidyo at the heart of a lot of enterprise and consumer video experiences from an infrastructure perspective.

Connecting The Internet Of People With Video

Vidyo is focused on building its video ecosystem of partners and providing the infrastructure that will video-enable IoT and business applications. While IoT has been the latest industry trend and buzzword, people usually focus on connected devices, sensors and smart buildings. However, we believe that IoT goes beyond connected devices: its core is the connection of people. The “Internet of people” will be most affected by IoT. Vidyo’s announcement gets at a critical point, which is enabling visual communication in connected devices and applications to enhance human interaction and collaboration.

The IoT concept says that all the connected things in the ecosystem, from devices to applications to people, can become smarter based on their relationships with each other. This creates a relationship of things. Video can be embedded in such an ecosystem to visually communicate and enable interactions among people and between people, devices and applications. The idea is to make video a part of people’s business workflows, which include various devices and applications.

We are seeing the rise of business applications geared towards business buyers looking for specific outcomes. Putting video into this mix can potentially enhance collaboration, especially where people are distributed geographically. We believe the human interaction component has been a somewhat forgotten part of the IoT discussion.
In vertical industries like healthcare and financial services, video is being embedded in a variety of workflows and processes. Video becomes a part of how people work, not the end result.

For example, in healthcare, the video solution decision is not always driven by UC but it needs to be enabled on any device for use cases such as telemedicine where video communication is critical for doctor to patient interactions and between hospitals. In financial services video is being enabled in ATMs and for interactions with customers to bring value and improve the customer experience.

**Challenges And Opportunities For Vidyo**

The big opportunity for Vidyo is for its platform to become the fabric and infrastructure behind IoT for embedding video. This is a strategic position to be in and makes Vidyo a critical platform.

The challenge is that if it is the underlying infrastructure, the Vidyo brand potentially gets lost. That could be neither here nor there for the company depending on what its strategy is. However, from a brand marketing perspective, it behooves Vidyo to be more visible, and to be viewed as a thought leader, trusted advisor and video technology integrator.

**Aragon Advisory**

- Enterprises should pay close attention to developments around IoT and think strategically about their connected people, devices and applications.
- Ensure that video collaboration is enabled as part of any business process where human interaction is involved. This means most processes.
- Demand that your collaboration and business application providers have a roadmap for IoT that details how it will impact their offerings.

**Bottom Line**

Vidyo is emerging as a pivotal player in IoT and overall video collaboration and communication as it moves to embed video into telemedicine applications and devices, drones for video surveillance and banking applications and devices such as ATMs. The key is to make video a part of the process and thus bring it to the point where it matters and where people care. This is a video ecosystem play for Vidyo with partners spanning manufacturing and communications.

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- [Dreamforce And The Internet Of Customers](#)
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