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by Elena Malykhina

### TELEPRESENCE: UP CLOSE, PERSONAL, AND A PRETTY PENNY

Superquality, life-size videoconferencing may be the wave of the future, but it's still not cheap or easy. Financial services company Wachovia last week completed its first deployment of Cisco Systems' Cisco TelePresence system, introduced in October. Such systems cost upward of \$300,000 per room, and they're anything but turnkey.

Wachovia's telepresence system lets executives in the company's Charlotte, N.C., corporate headquarters and Richmond, Va., securities headquarters communicate almost as if they're in the same room. The system consists of 65-inch „ultrahigh-definition“ video screens, high-quality directional microphones and speakers, and multiple high-def cameras. The studio is a revamped conference room with shadow-eliminating lighting, nonreflective walls, and materials that reduce external noise. Cisco Call Manager servers route IP traffic between the two locations.

Three-screen studios from Cisco, such as those in use at Wachovia, cost around \$300,000 each. That's a sizable investment, but one that minimizes „the lost productivity of senior-level people who spend hours flying between locations for meetings,“ says Jim Kittridge, Wachovia's senior VP and telepresence product manager. Lower travel costs and fully engaged employees contribute to a strong business case for telepresence, Kittridge says. Cisco itself says it will cut its travel expenses by 20% next year by using its own telepresence systems.

Putting all the pieces together so that everything works at the touch of a button was a challenge for Wachovia. „There are hundreds of details that go into launching this technology,“ says Kittridge. „We had to work closely with Cisco and our internal technology team.“

Over the next three months, Wachovia will assess whether to roll out the systems to offices in New York and San Antonio as well as overseas locations such as London and Hong Kong. „It all depends on the business case,“ says Kittridge.

Not all systems go for a quarter of a million dollars and up. Some vendors, including Telanetix, offer less elaborate telepresence systems ranging from \$40,000 to \$80,000 per studio. Telanetix's Digital Presence system doesn't require a full-blown conference room makeover. The system comprises a codec, two to four flat-screen monitors, and cameras for each location. It uses peer-to-peer networking, so a multilocation teleconference can continue uninterrupted even if one site drops off.

## **NETWORK HOG**

Telepresence is a huge application, so much so that dedicated bandwidth may be required, at a cost of \$6,000 to \$20,000 per year, says consultant Howard Lichtman with Human Productivity Labs. Most companies have to reengineer their networks or create an „overlay network“ to support telepresence. „The good news is all the components that make up telepresence are going down in price, while the quality is going up,“ Lichtman says.

Companies have the option of renting telepresence studios. In March, Cisco announced a deal with the Regus Group, a provider of managed office space, to rent studio time to business customers. Cisco has deployed about 85 telepresence studios worldwide and will have 110 studios by the end of July. Hewlett-Packard has deployed more than 90 studios based on the company's Halo video collaboration system.

Investors are showing interest in telepresence, too. Teliris, a company in the market since 2001, received a \$40 million equity investment from Fidelity Ventures and Columbia Capital earlier this year. -[ELENA MALYKHINA](#)