

**3-page article for ACT Teleconferencing – appeared in Marketing Week**

***Headline: Are we missing a trick or two?***

***In the UK, teleconferencing is still a relatively under-used business technique. Whereas in the US, both audioconferencing and videoconferencing are an essential part of the communications armoury. Dominic Dodd, business development director at ACT Teleconferencing, assesses the current situation and examines the drivers for change.***

Teleconference service providers in the UK should be congratulating themselves. Audioconferencing is growing at a phenomenal 50 per cent a year and use of videoconferencing, after a slow start, is growing rapidly. But we are starting from a low sales base, and, compared with our American counterparts, are hardly past the starting gate. For example, MMTA Data Communications estimates current US spending on audioconferencing to be around \$2,900 million with a growth rate of over 20 per cent. The current US videoconferencing market weighs in at \$5,360 million, with a growth rate of around 30 per cent a year. UK usage is far lower and, while there are a number of different estimates of market sizes - one estimate, for example, places the UK audioconferencing market at £40 million - they are all significantly lower than in the US.

Even allowing for the different sizes of the UK and US business communities, it's a situation which may seem a little strange. After all, businesses are now global, and the pressures on managers to perform are more or less the same the world over. You have to react faster than the other guy to changes in market conditions and competitors' activities. You have to have maximum, immediate feedback from within your own organisation. You have to communicate objectives, disseminate information and motivate both internal teams and customers. You have to keep the stock markets and your investors briefed on your progress. You may have to deal with crises or activate disaster recovery programmes. You need to have rapid, consistent, cost-effective, two-way communication in every area and at every stage of your business.

Teleconferencing has always been attractive to Americans because they have to cope with the vast distances between their headquarters and their network of regional offices, depots, service centres or retail outlets. US sales forces are spread out across a land mass many times larger than the UK. There are greater distances between a company and its customers, investors and the media. US air fares are comparatively cheap, but when you have to have a meeting which, if held face-to-face, would involve ten executives taking flights - you start to seriously consider the alternatives. Teleconferencing appears even more attractive when you have to consider the most cost-effective way of pulling together managers from Dallas, Bonn, Kuala Lumpur and Sydney.

**Traditional forces**

So, if the US looks to teleconferencing to provide a solution to effective business communications, why is the UK take-up rate, although accelerating, still less advanced?

In the UK, I'm afraid, tradition dies hard. And the tradition of the face-to-face business meeting is going to die harder than most! But, the prognosis looks bad, as various changes start to take effect. For example, competition is becoming increasingly fierce. Management activity is coming under increasing scrutiny. Road congestion is increasing. Telephone call rates are moving downwards. The Internet is now an well-established business tool. The communications revolution is entering the UK business mindset.

### **The company car gambit**

But there are other factors keeping the patient alive! Take the company car. Current UK tax legislation gives staff with company cars a built-in incentive to travel. A recent survey found that British business managers spend around ten or more hours a week travelling to an average of six meetings, and that, in total, these managers attend an incredible 1.171 million meetings, each year. How many of those meetings really needed face-to-face contact?

Government legislation is also threatening to restrict the use of cars. The government has stated that it wants to reduce traffic on UK roads by up to 10 per cent. We may see the introduction of prohibitive taxes, road tolls, and in-town restrictions. There is also EU legislation to consider. The EU has environmental issues high on its agenda, and the first legislation to make car use seem far less attractive, may come from Brussels. If you consider that over a quarter of all cars on the road are undertaking work-related journeys, the 'company car as a perk' could be nearing the end of the road. As this demise becomes more apparent, an increasing number of UK companies will have to seriously consider teleconferencing as a cost-effective alternative.

### **The Early Adopters**

Some UK businesses have already seen the writing on the wall, and have started to make extensive use of teleconferencing.

Sales and marketing managers use audioconferencing to communicate objectives, set and monitor goals, obtain feedback, assess motivation, overcome problems and cascade ideas - without losing valuable selling time.

Marketing managers use teleconferencing to set up links with colleagues for forecasting sessions and project meetings. Audioconferencing can be used for consumer interface projects, such as focus groups.

Retailers use teleconferencing, particularly regular audioconferences, to direct, control and monitor their geographically-dispersed retail outlets, instigating new promotions speedily and reacting rapidly to competitors' activity.

Investor Relations is another major area where audioconferencing, linked sometimes to the internet, is used to communicate with key groups such as analysts, investors, journalists and potential investors wherever they are in the world. Typical IR uses include earnings releases, analyst updates, press conferences, annual meeting co-ordination, acquisition and merger announcements or reorganisation news releases.

### **The Suppliers**

Teleconferencing services are available from specialist companies called teleconferencing suppliers. These companies have the sophisticated hardware and the expertise to set up and handle all aspects of the teleconference correctly. Audioconferencing involves three or more people engaging in a conference call using telephones, while videoconferencing connects up to 16 individuals who can both see and hear the all the participants on monitors.

### **Audioconferencing**

In the US, audioconferencing is now an everyday business technique - just as widespread, and as simple, as using a courier service. Between three and 1000 people can be connected in a single audioconference. An average six-person audioconference can be up and running within five minutes of your call. All the participants need is a phone. The teleconferencing supplier can dial out to the participants or they can dial in - from a boardroom, from a hotel room, from a call box - it makes no difference. Equipment can also be hired to allow groups of people to participate from a single location.

There are no set-up charges, and charges for operator-assisted calls are around 20p per minute, per participant. Dial-Out call charges (made by the teleconferencing service provider) vary, depending on the location of the participants - typically, the range is from around 12p per minute to £1.80 per minute.

### **Videoconferencing**

Videoconferencing is particularly useful for meetings where visual contact and demonstrations are important, and where top executives would otherwise have to make long, tiring international flights to attend face-to-face meetings. Around 40 per cent of large businesses use videoconferencing for communication between national and international sites. Approximately a quarter use videoconferencing for in-house training and sales and marketing activity.

There is much more to videoconferencing services than a simple point-to-point scenario. Multi-point connections are now available, world-wide, with up to 16 participants connected, and up to nine participants visible on screen, at any one time. Each participant needs an industry-standard videoconferencing system connected to an ISDN line.

A videoconference is simple to set up. You make a single phone call providing the time you want the videoconference to take place, along with the names and telephone numbers of the participants. Normally, your videoconference is introduced and fully managed by a conference call co-ordinator.

### **Choosing your supplier**

When it comes to choosing a teleconferencing supplier, the company you hire should have experience of providing a high quality of service to demanding customers. How well are the conference call co-ordinators trained? How well do they understand, and respond to, the needs of senior managers? Do you have to waste time with contracts, pre-payments or setting up accounts?

Does your provider offer additional services, such as the ability to record conference calls for telephone playback, with full control, by participants not able to attend the original call?

Do they offer polling services which allow participants to ask a question, or vote on an issue, during the conference call by simply pressing buttons on their telephone? Is data conferencing on offer? This allows you and your distant colleagues to work together with graphics, charts and other documents in real time on your PCs.

Does the service provider offer a national and international service 24 hours a day, 7 days a week, throughout the year? Do they offer both 'Dial-Out' to each participant and 'Meet Me' services where each party calls into a dedicated DDI (Direct Dial In) number. Are there time limits on conference calls, and is payment on an 'as used' basis?

The future for teleconferencing looks very exciting, and there are new developments coming through on a regular basis. The UK may well be behind at the moment, but the need for more cost-effective communication is becoming more compelling by the day. We may have been missing a trick or two, but the blindfolds are now off, and, where teleconferencing is concerned, we are all going to witness, and participate in, some pretty momentous changes.

**For further information contact Stan Arnold on XXXXXXXXXXXXX**

**For a free copy of ACT's 'Guide to Teleconferencing' phone XXXXXXXX**

**For a free trial audioconferencing call - phone ACT on Freephone XXXXXXXX**

### **About Dominic Dodd**

Before joining ACT Teleconferencing, Dominic spent over 8 years in senior positions with BT Conferencing, including four years managing BT's Conference audio and video services. Subsequently, he headed the team which developed the International Concert Service for BT.

Now with ACT, he is director for International Business Development working directly for the parent company, ACT Teleconferencing Inc, in Denver. He is currently involved in launching a new ACT subsidiary in Paris, due to go live in February, and is negotiating large international outsourcing agreements in the Netherlands and USA.

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### **Retail Case Study - Sieffert Clothing Store, US**

*With geographically dispersed, multiple outlets, the US retail industry has realised that audioconferencing is an ideal way to conduct meetings. The Sieffert Clothing Store uses ActionCall audioconferencing for its monthly store managers meetings. Each month, the managing director, vice-president and 50 store managers meet, via an audioconference, to review the financial goals of each store, to inform and train on new products and to discuss marketing strategies. The arrangement works well, and has a very high participation rate.*

*The monthly conference call is initially set up in 'listen only' mode to allow the MD and vice-president to announce the company's successes and keep everybody updated with developments. At the end of the conference, the call is opened up for a question and answer session. Sieffert also uses audioconferencing to interview potential management candidates.*

*This idea is now catching on in the UK, where large retail organisations are using audioconferencing to 'cascade' information. Operations and Sales*

*Directors at HQ conduct weekly meetings with their regional directors, who, in turn, have conference calls with their respective area managers, who then conference with their respective store managers.*

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### **Case Study - Miller Shandwick, London**

*Miller Shandwick Technologies, London is the European hub of the world's largest high-technology public relations consultancy. The company is part of Shandwick International Plc, which consists of more than 120 wholly-owned and affiliate offices across the globe.*

*Miller Shandwick Technologies' clients range from some of the largest companies in the world, through listed, growing companies, to start-ups. The company conducts and co-ordinates ongoing worldwide programmes for its clients. This frequently involves working with international teams which need a single, co-ordinated approach, based on reliable, fast, efficient teleconferencing services.*

*Kristin Syltevik, managing director of Miller Shandwick Technologies, says, 'Audioconferencing allows us to conduct team meetings within our network, attend briefings by the client and perform three-way interviews with journalists. Our international approach would be very difficult to sustain without ActionCall.'*