

Forbes insights

THE CONNECTED CULTURE:

Unleashing the Power of
Video in Everyday Collaboration



IN ASSOCIATION WITH:

zoom

FOREWORD

As business becomes more globalized and distributed, are we sacrificing connectedness? Today's mobile, internet and cloud technologies enable collaboration across time zones, continents, travel schedules and even corporate boundaries. But are we communicating as effectively as possible? Emails, IMs, cloud-enabled file sharing and teleconferencing allow us to transcend space and time, but is a loss of face-to-face interaction sacrificing the benefits of intimacy, understanding and interpersonal connection?

Humans are profoundly visual creatures. Establishing rapport, trust and genuine understanding requires visual cues. Learning is further enhanced by imagery. This is long understood; and indeed, video conferencing and accompanying tools have been around for some time. But only now, thanks to vast improvements in cost and quality, is the solutions set achieving its true promise.

Today, leaders are harnessing video conferencing to enhance productivity and quality of communication while driving agility and the performance of teams. In fact, in certain industries, like healthcare and education, these tools could even be called revolutionary.

This is not to say there are no inhibitors. Cultural inertia can be part of the problem, as is lack of interoperability with other collaborative tools. Another likely challenge is the proliferation of different video conferencing solutions within the same organization. A lack of a standard solution, survey respondents and interviewees indicate, increases friction in usage, leading to quality issues and steeply diminished value.

As with any new process or tool, companies will need to exercise a degree of change management in order to access the full measure of performance improvements that can be achieved with the right video conferencing solution.

But the good news is that CEOs and other senior leaders are among the most visible champions in this new era of communications. As such, while adoption rates are already significant, we have arrived at a point where video calling is fast becoming the default standard for group and one-on-one communications with both internal teams and external stakeholders.



JANELLE RANEY

Product Marketing Executive, Zoom

ENTER: THE ERA OF VIDEO CONFERENCING

Inspect nearly any industry, and the shift is on from standard teleconferencing to a richer, more visually contextual video conferencing experience. Consider testimony from:



HEALTHCARE

Srini Koushik, chief technology officer at Magellan Health, says video conferencing is revolutionizing the industry at

large through innovations such as telemedicine. Under his own roof, Koushik says, expanded use of video conferencing drives efficiency and growth. In particular, “it is helping us to build teams across geographies, build a sense of community, provide the ability to train many people at the same time, host town halls – and much more.” Collaboration is critical to success, says Koushik, “and it’s my belief that video conferencing is one of the first things you need to get right for effective collaboration.”



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SRINI KOUSHIK, CHIEF TECHNOLOGY OFFICER,
MAGELLAN HEALTH



EDUCATION

The same goes for education. As Western Sydney University CIO/CDO Kerry Holling explains, operationally speaking,

video conferencing is an ideal tool “for a group like ours where our campuses are so spread out.”

But then education-wise, video means that “a single lecturer in a single lecture hall can be leveraged across an unlimited number of campuses, other lecture halls and view screens.” In addition, “content can be broadcasted live or recorded for later viewing or review,” says Holling. “We can even use [video conferencing] to bring in guest lecturers, who otherwise, due to time zones needs or other time constraints, could not participate.”



TECHNOLOGY

Having been involved in collaboration upgrades for the better part of a decade, Yousuf Khan, CIO at fast-growing flash storage-focused Pure Storage, says, “I can tell you that while speech is useful, when you want true communication, you need visual.” Consequently, says Khan, one of his first orders of business when joining the firm in April 2015, “was to bring things up to speed in video conferencing.” Indeed, says Khan, “I

knew that video conferencing would become a [powerful driver] in our growth story.”

THE NEW NORM IN COLLABORATION/COMMUNICATION

Testimonials such as these explain how a Forbes Insights/Zoom global survey of 333 executives (see Methodology) found that a full 92% of them believe that expanded use of video conferencing has a positive impact on their performance. The impact is so strong that 80% of executives now say that relative to audioconferencing, video conferencing is fast becoming the norm for internal teams – with 84% saying the same for collaboration with external stakeholders.



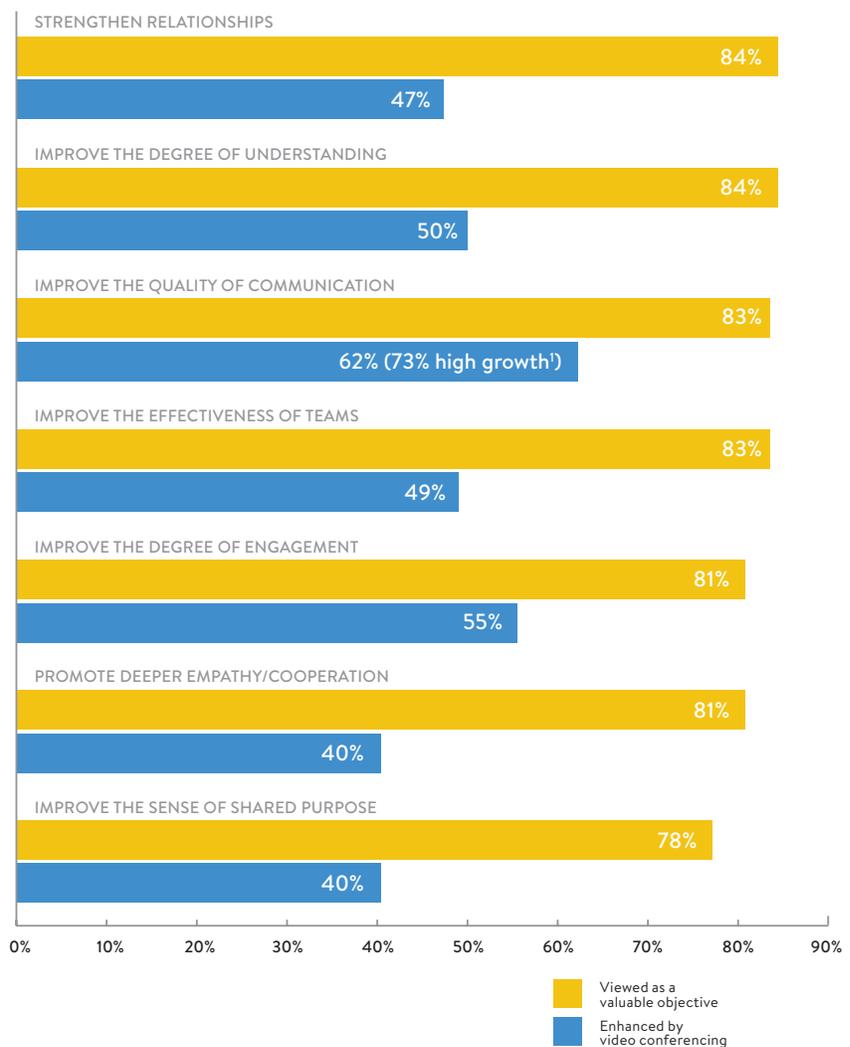
VIDEO CONFERENCING ENABLES KEY PRIORITIES

Discussions of teaming, collaboration and communication nearly invariably lead to the identification of a range of key priorities for business executives. These include such goals as strengthening relationships, improving understanding and communication as well as driving the effectiveness of teams.

The survey asked executives not only about the relative value of various objectives – such as strengthening relationships or improving understanding – but also the degree to which video conferencing could help improve performance against each objective. In every instance, the survey indicates that executives believe video conferencing is a powerful driver of these stated objectives.

For example, 84% of respondents say that strengthening relationships is viewed as valuable – an objective nearly half (47%) say is enhanced by video conferencing. Similarly, 83% say they want to improve the quality of communication. Here, 62% overall – and 73% of executives from high-growth companies – say video conferencing improves outcomes. (See figure 2.)

Figure 2. How valuable are the following objectives? Where can video conferencing enhance/improve outcomes?

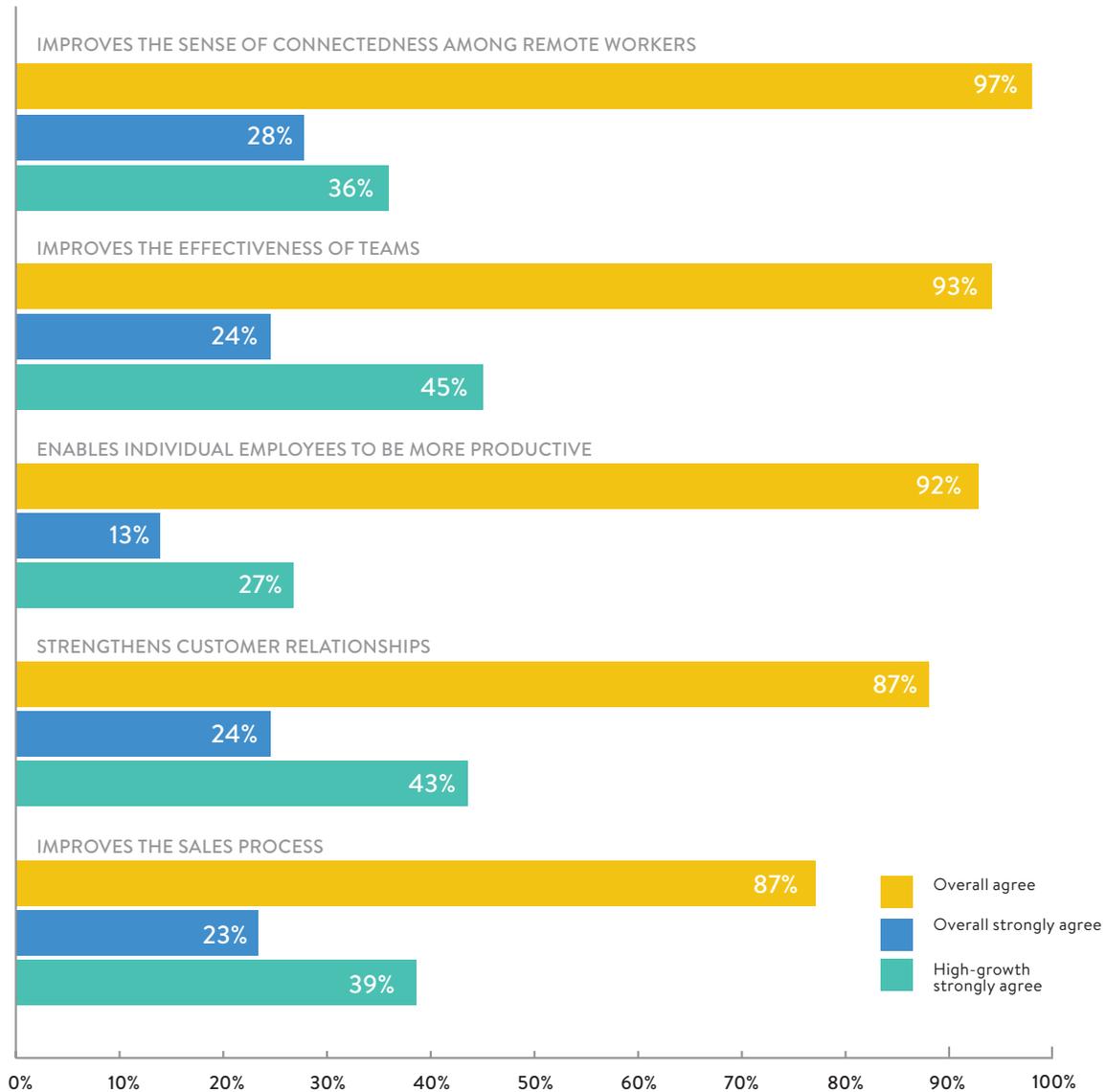


1 20% of survey respondents describe themselves as “high-growth” (distinct from above-average, average, below average or well-below average growth). These high-growth companies are relatively evenly distributed across both industries and geographies.

The above benefits are only the beginning. In addition, survey respondents say video conferencing improves outcomes across a range of productivity-enhancing measures. For example, 97% agree that video conferencing improves the sense of connectedness among remote workers – while 93% say the same for the effectiveness of teams. Worth highlighting: for all of the benefits examined, those from high-growth companies are especially likely to strongly agree.

Figure 3. Video conferencing drives productivity: How strongly do you agree with the following statements?

VIDEO CONFERENCING...



CASE STUDY: MAGELLAN HEALTH: LIKE WORKING IN THE SAME ROOM

At Magellan Health, “somewhere north of 40% of employees have alternative working arrangements – working from home or on the road regularly,” says Srini Koushik, CIO/CTO. “We believe in work/life balance, but achieving that balance requires work/life integration.” With so many working remotely, says Koushik, video is a force that can “improve the efficiency, connectedness and effectiveness of teams.”

VIDEO: THE GAME CHANGER

Audioconferencing has its place, says Koushik. There will be times when “you have no alternative,” the executive explains. But in terms of achieving the higher levels of collaboration, “video conferencing is a real game changer – and should be the default setting.”

Once video engages during a call, “the entire feel and etiquette of the meeting changes,” says Koushik. Participants can see and be seen. Any sense of distance is removed. There’s no longer any semblance of “out of sight, out of mind,” says Koushik. Participants are less apt to “zone out” or multitask as they might on an audioconference but instead maintain “virtual eye contact.” The result, says Koushik, is a superior level “of closeness and engagement.”

Such benefits are critical to Magellan. For example, the company is an agile developer, which often leads to co-location – a situation where internal team members work at client sites and vice versa. With video conferencing, “there’s never a sense of distance – it’s like we’re working in the same room,” says Koushik.

NO STRANGERS

This also translates into closer relationships – even between team members or clients who have yet to meet in person. As Koushik recalls, “I may have only seen ‘you’ on Zoom (the company’s video conferencing provider), but when [our paths finally cross], it no longer feels as if I’m meeting a stranger. We recognize one another.”



“[Video is a force that can] improve the efficiency, connectedness and effectiveness of teams... [Once video engages during a call,] “the entire feel and etiquette of the meeting changes.” Participants are less apt to “zone out.” The result is a superior level “of closeness and engagement.”

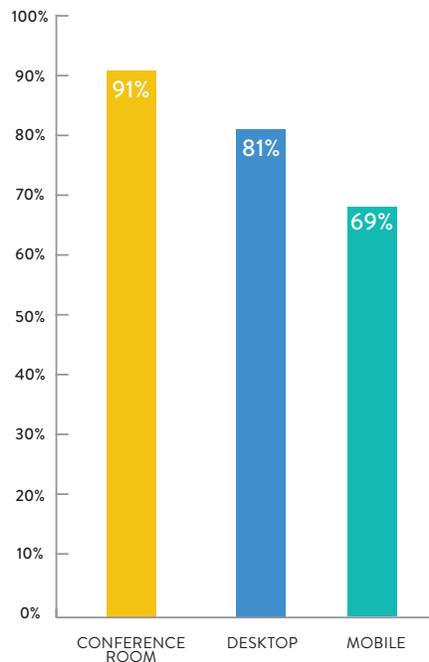
SRINI KOUSHIK, CHIEF TECHNOLOGY
OFFICER, MAGELLAN HEALTH

VIDEO CONFERENCING: BY WHAT MEANS?

Executives in general say their organizations are making increasing use of video conferencing. And they are using it across a range of devices, including desktops, laptops and smartphones. Nonetheless, the findings indicate that video-enabled conference rooms experience the highest rates of usage, to some extent highlighting their role as an “anchor” (see figure 4).

As Zendesk CIO Tom Keiser explains, “We have Zoom, our video conferencing solution, embedded on all laptops and workstations.” But in addition, “we’ve hooked Zoom into every conference room and office – they’re all set up as ‘Zoom Rooms.’” In essence, “in each room there’s a large screen, so you can see everyone who’s participating very clearly.” Then there is “an iPad controller in the center, so you can walk in, hit a button, and the meeting starts.” Online scheduling “is simple,” says Keiser, “so it’s an incredibly efficient, engaging and effective means of collaborating.”

Figure 4. Many access points – but anchored by the conference room. To what extent do you make use of video conferencing using...?



Of course, “face-to-face interaction is generally the most effective,” says Keiser. But in practice, to the extent executives and team members are able to access high-quality, easy-to-use video conferencing via “you name” the device, the latter can actually “become the preferred means.”

How so? As Keiser explains, “we need to collaborate around the globe; around the clock.” As such, face-to-face often simply “isn’t practical or cost-effective.” But with state-of-the-art, cloud-delivered video conferencing, explains Keiser, “it’s the closest thing to [working together in person].”

SNAPSHOT: VIDEO CONFERENCING AT ZENDESK

Daily Usage Average:	Weekly Usage Average:	Monthly Usage Average:
650	3,250	13,000
meetings	meetings	meetings

1,400+

Active Users

180+

“Zoom Rooms”
(meeting rooms equipped with software-based video conferencing)

71,622	358,110	1.4 million
meeting minutes a day (total of all participants in all meetings)	meeting minutes a week	meeting minutes

ENGAGING EXTERNAL PARTIES...

Internal collaboration via teleconferencing is a relative “no brainer,” says Zendesk’s Keiser. But increasingly, companies are using video conferencing to engage with external stakeholders. Indeed, at Zendesk, as Keiser explains, “our meetings tend to consist of not only internal members, but often partners and/or customers.”

Certainly, “in sales, face-to-face is important in the beginning [of a relationship],” says Keiser. But once a client is on board, the goal is less “getting to know you” and more a matter of “getting things done.” Here, says Keiser, video conferencing becomes a powerful and efficient tool.

“As CIO/CTO, I’m responsible for security, operations, data centers – a lot of key areas that matter to customers,” says Keiser. With video conferencing, “it’s easy to just put together a call and get face-to-face, making sure customers get their questions and issues addressed.” Video, says Keiser, “personalizes things: they get to know me; I get to know them. That drives better communication, creates trust and builds stronger relationships.”

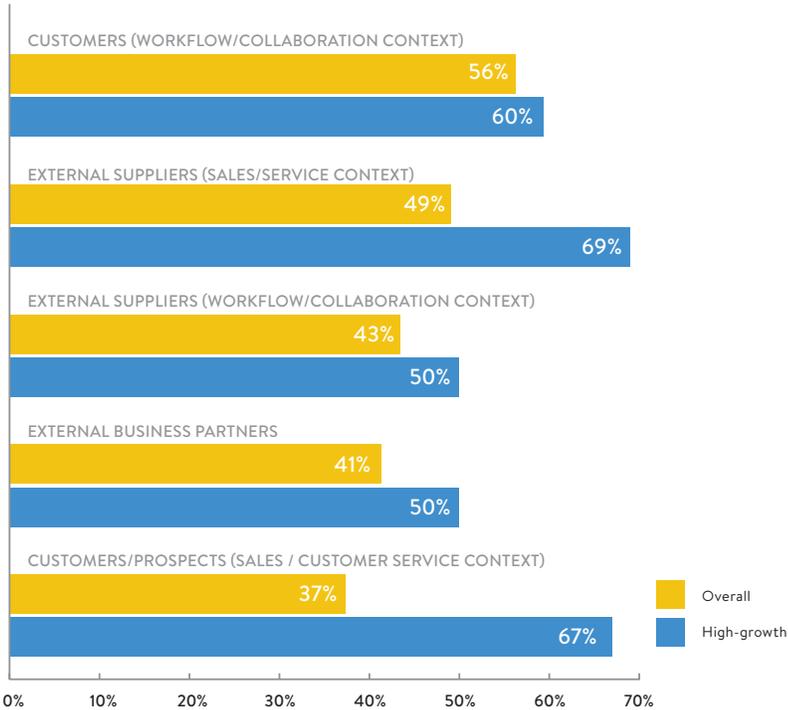
Along these same lines, 96% of executives in the survey overall say they participate in video conferences with those from outside their own firm. But in this instance, as shown in figure 5, **high-growth companies tend to leverage the benefits of video conferencing significantly more often than others in the sample.**



“[With video conferencing,] it’s easy to just put together a call and get face-to-face. ... That drives better communication, creates trust and builds stronger relationships.”

TOM KEISER, CIO, ZENDESK

Figure 5. External participants tend to include:



...INCLUDING THE REMOTE WORKFORCE

“Alternative working arrangements,” such as those at Magellan Health, often refers to full or part-time telecommuters. Note that many such workers may even be external contributors or freelancers, an increasingly significant proportion of today’s flexible/mobile workforces. The survey shows that nearly all organizations (96%) enable telecommuting to at least some degree. But in terms of extensive use, the figure rises to 45% at high-growth companies, compared with only 22% overall.

With so much of the workforce working remotely, engagement and productivity become key issues. Here, 92% agree that video conferencing helps drive the effectiveness of remote workers (26% strongly so; rising to 45% among executives at high-growth companies). In addition, 92% agree that being able to “see” remote workers – including where and how they look and work – helps traditional managers and co-workers feel more trust. Overall, 93% agree that video conferencing enhances the effectiveness of remote workers (26% strongly agree).

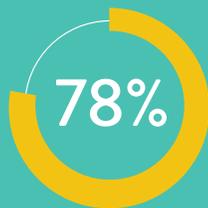
PERSISTENT CHAT

Persistent chat – topic-based text and hyperlink discussion that can be accessed in real time and/or archived – can be an invaluable adjunct to video conferencing.

The survey finds that three out of four companies (78%) use persistent chat. Just under one in five (18%) do so extensively, rising to 37% at high-growth companies.

Note that technology companies are significantly more likely to use persistent chat (90%), as are IT executives in general (91%). Indeed, as Pure Storage’s Khan explains, “the ability to conduct side conversations” is critical, as is, often, “the need to be able to see alerts – when something needs immediate attention.”

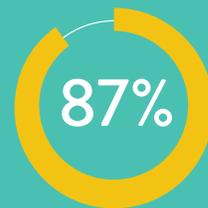
Eighty-seven percent of executives agree that persistent chat helps drive the trust and engagement of remote workers. Eighty-five percent say that persistent chat helps drive the effectiveness of remote workers.



of companies
use persistent chat



of technology
companies
are more likely to
use persistent chat



of executives agree that
persistent chat helps drive
the trust and engagement
of remote workers

TOO MANY SOLUTIONS: A KEY INHIBITOR

The survey reveals that companies are running a wide array of video conferencing solutions: 62% are running three or more; nearly one in five (19%) are running five or more (see figure 6). Note, however, that both the survey findings and interviews indicate – this is too many.

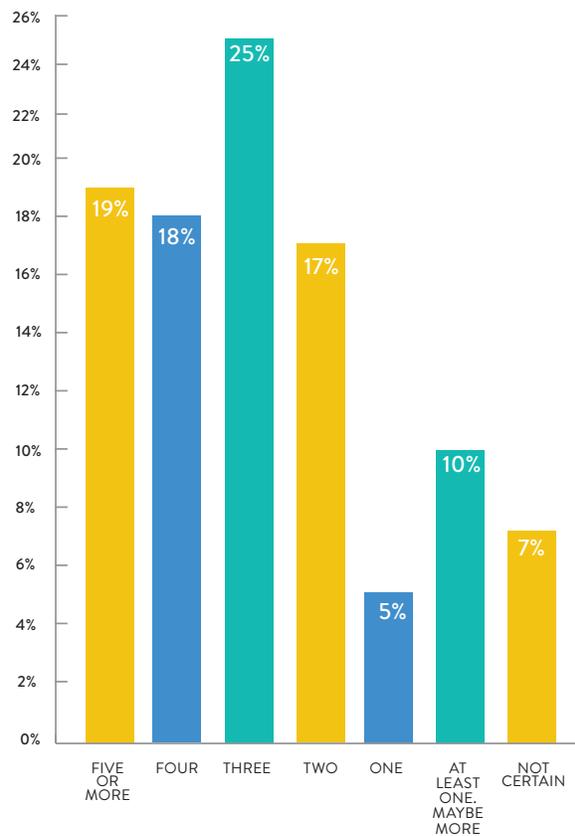
As to how this occurs, 88% of executives believe this stems from the ease of adoption/implementation of discrete tools/solutions by end-users without centralized cooperation. This is a view mirrored by Pure Storage’s Khan (see case study, p.14).

But at the same time, respondents offer a clear fix: consolidate the number of platforms. For example, 92% of executives – 100% of CEOs/presidents – believe their companies would achieve greater cost savings and effectiveness through consolidation of communications platforms. In addition, 93% of executives – 100% of CEOs/presidents and 98% of executives from high-growth companies – believe their businesses would achieve greater governance and control through consolidation of communications platforms.

Perhaps most telling, 90% of executives say they need better strategies and policies to ensure they are making the most effective choices in providers of video conferencing and video calling. Managing technology development and IT is challenging enough, says Magellan Health’s Koushik. So “one of the last things we need is to spend time managing multiple providers of collaboration tools – there’s nothing value-added about it.”

Accordingly, the company conducted a review of “state of the art” zeroing in on a handful of providers before settling on a single company that could present an integrated, interoperable set of high-quality tools.

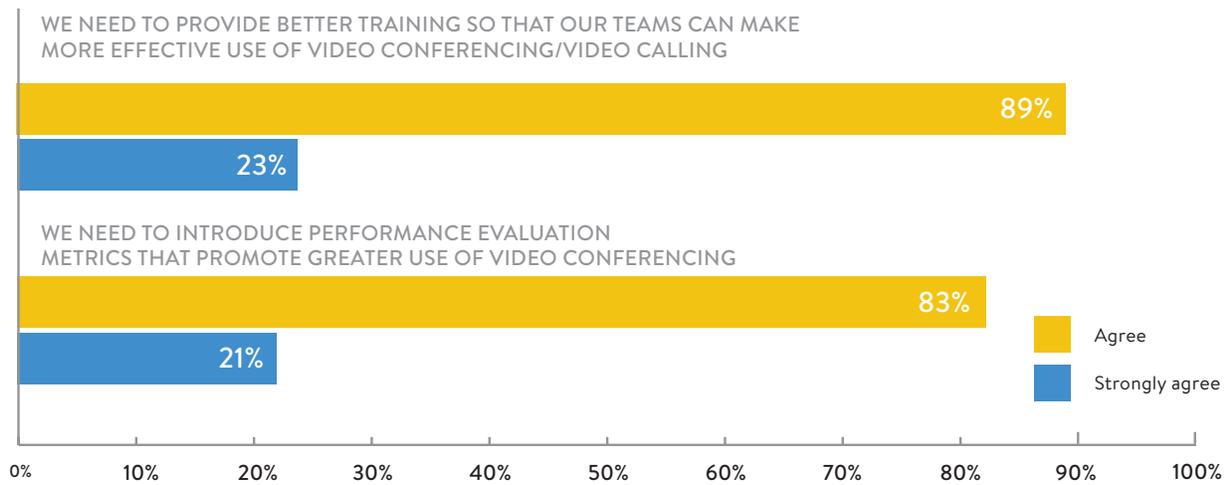
Figure 6. Time to consolidate. How many instances of video conferencing solutions are up-and-running at your company?



“OTHER” CHALLENGES

Hosting more than one instance of a video conferencing solution is just one of the practical challenges unearthed by the survey. For example, 89% of executives indicate that not enough of the workforce recognizes the true value of video conferencing, and therefore their companies need to do more to promote the benefits of more frequent and effective use. Similarly, 83% believe they need to insert metrics into performance evaluations in order to drive greater use of video conferencing.

Figure 7. Improvement needed. How strongly do you agree or disagree with the following statements?



Other potential inhibitors include a lack of access to suitable video conferencing facilities (32%). Note also that **95% of respondents believe their company could improve the effectiveness of teams by providing greater access to better-quality video conferencing facilities.**

Similarly, respondents warn about corporate inertia (32%) along with a culture of face-to-face interaction (also 32%). Finally, executives say to watch out for applications that are “too difficult” to use (30%), insufficient training (29%) and any general lack of awareness of the benefits of video conferencing (28%).

CASE STUDY: PURE STORAGE: CONSOLIDATION IMPROVES QUALITY

From its inception in 2009, Pure Storage has grown swiftly to over \$700 million in revenue with more than 1,700 employees. And like many high-growth companies, “our workforce is pretty widely distributed – we have a lot of remote workers, people who constantly are traveling or who work from [field] offices or their homes,” says CIO Yousef Khan. For this reason, “it becomes absolutely vital” that the company adopt best-in-class collaboration tools in order to enable its workforce to achieve optimal performance. Video conferencing, says Khan, “is essential.”

TOO MANY SOLUTIONS

Relative to audio, “video is a much more powerful medium,” says Khan. From this standpoint, the workforce began reaching out for video conferencing solutions on its own, in the process taking on a handful of applications of varying quality and reliability.

Joining the firm in 2015, and this being Khan’s “third stint as a company’s first CIO,” the executive knew this was an issue to be reconciled quickly. For starters, the existence of multiple solutions “is a productivity killer,” not just for an IT team but for end-users. And since participants also often included external partners and customers, the lack of quality control could reflect badly on the company.

So, the executive began a review of the marketplace, quickly settling for what he deemed the most intuitive, reliable, interoperable and cost-effective set of solutions. As for video conferencing, “it isn’t just performance in its core function, it’s also how well it (Zoom) integrates with other systems.”

This includes not only the company’s CRM platform (Salesforce.com) but also its collaboration toolkit (Slack) and browser-based calendar applications (Google Chrome). The latter, says Khan, “can be surprisingly critical, since a big part of this is

scheduling conference rooms and [people] working across multiple time zones.”

CONSISTENCY AND QUALITY DRIVES VALUE

Today, team members – both internal and external – are able to participate in video conferences enabled by laptops, smartphones or software-based video conference and huddle rooms – the latter now widely available throughout the company. The experience is now “consistent,” says Khan, “which makes it so people are no longer worrying about the medium, they can focus on the work to be done.” Video conferencing is in fact so effective, says Khan, “that teams don’t have to worry so much about where someone is located, they just need to know when they are available.”

Pure Storage executives currently “log millions of minutes per month” in video conferencing. The platform’s ability to do so, says Khan, is a key driver of productivity. For example, the company often conducts “quality business reviews” (QBRs) that require many hours from key executives from all over the world. In the past, “executives would have needed to travel to participate,” says Khan. But due to the quality of video conferencing today, that’s no longer necessary.

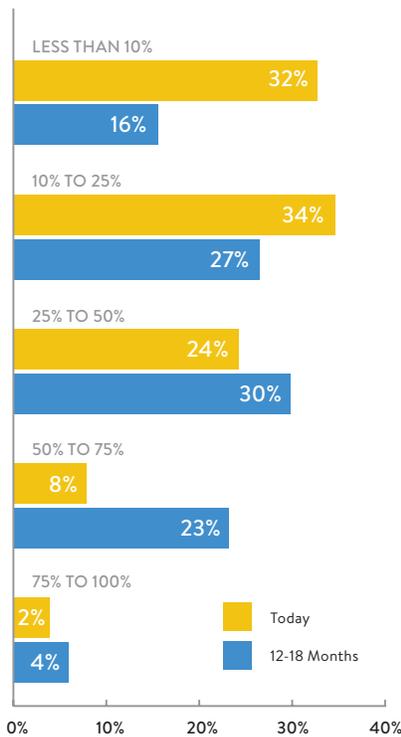
As Khan explains, “I [recently] attended a QBR where [managers] were calling in from Australia, Japan, Taiwan, Thailand and Indonesia.” The call lasted seven and a half hours, and yet “at no time were [people] left feeling disengaged.” Neither were there any technical issues or glitches. The realization, says Khan, “is that video conferencing is now a [close second] to face-to-face meeting.”



LOOKING AHEAD: VIDEO CONFERENCING WILL EXPERIENCE GROWTH—EVEN AMID CONSOLIDATION

Growth is evident. **Over the next year, 88% of executives say their companies plan to increase their use of video conferencing** (20% significantly so). Note, “significantly” rises to 53% among CEOs/presidents, 45% for high-growth, 37% for technology firms.

Figure 8. Growth is coming. What is the approximate percentage of communications that occurs via video today – and in the next 12-18 months?



This increase in the percentage of communications occurring via video conferencing will be felt across all manner of interactions: from teams featuring remote workers, to a wide range of functions – all the way to purely internal teams:

Figure 9. More signs of growth. How do you anticipate the use of video conferencing changing for the following groups?



CASE STUDY: REVOLUTIONIZING COLLABORATION AT WESTERN SYDNEY UNIVERSITY

Few endeavors stand to gain as much from video conferencing as education. As Kerry Holling, CIO and CDO of Western Sydney University (WSU), explains, among other attributes, “video leverages the value of any instructor.”

But in the case of this particular institution, there are also numerous operational benefits. WSU is not only quite large – 44,000 students – but also geographically dispersed, featuring seven campuses. So, a key challenge, says Holling, “is holding a meeting – because there’s always one or more people who need to travel – and in West Sydney, traffic can be diabolical.”

Video conferencing is nothing new to Holling and WSU. The school, for years, has had access to a range of video conferencing facilities. However, the technology, says Holling, was “inflexible, outdated” and overall very “difficult to use.”

But then in early 2016, the school took a fresh look at the technology and discovered a new force – Zoom. Now the group relies on “Zoom Rooms,” which are software-based video conference rooms “outfitted with a ‘standard design’ of large screens with iPads as controllers,” says Holling. Meetings are now easy to organize and launch, so much so that the configuration has “taken off like wildfire.” Things have progressed to the point, says Holling, “where people no longer really put much distinction between an in-person and a [virtual] meeting.”

A key feature in all of this is device flexibility. On a number of occasions, “we’ve had people participating while they’re driving in their car – cradled however they can – and while effective, you can’t help but find it amusing.” In addition, the school’s video conferencing platform enables participants to use a website that allows wireless screen sharing on any internet-connected screening device. “So, students – or whoever – can share in group settings,” says Holling.



“[Things have progressed to the point] where people no longer really put much distinction between an in-person and a [virtual] meeting.”

KERRY HOLLING, CIO AND CDO OF
WESTERN SYDNEY UNIVERSITY (WSU)

Video conferencing also enables people to participate in meetings when it might otherwise make no sense. As Holling explains, “we had a person from the medical school who we needed for just five minutes.” Driving an hour each way for five minutes, “wouldn’t make much sense” says Holling. But by videoconference, “it was like being in the same room.”

Overall, the executive “loves” the outcomes. Enterprise-grade video conferencing is now reducing travel time and downtime, while maintaining “high quality engagement and collaboration.” As for a new 14 story office tower, home to WSU’s school of business with 7,000 students, “there are 24 teaching spaces that are Zoom equipped along with the other technologies that fit the model,” says Holling. Going forward, “we’re looking at how we can deliver [video conferencing] to more facilities and students.”

CONCLUSION: AT THE TIPPING POINT

Companies that today still favor audio conferencing over video conferencing are losing ground fast.

Business today is dynamic, global, ever-changing, fast-paced. Name the goal, and it's likely that one or more key team members is in another time zone.

Think about communication: there can be little doubt that visual interaction is superior to audio – and that video conferencing is vastly more engaging, conferring greater understanding and intimacy than mere audio conferencing.

Consider logistics and efficiency: in many instances, video conferencing so closely emulates face-to-face interaction as to obviate the need for travel.

Next, turn to productivity and optimization: multiple instances of a video conferencing solution can inhibit adoption and satisfaction. Leaders find that by focusing on a single best offering, IT gains better scalability and control.

Video conferencing energizes teams, not only driving trust alongside deeper levels of understanding and connection, but also accelerating the pace of communication. Whatever the activity, video conferencing is a catalyst by which leaders supercharge their performance.

As for what makes for a best solution? Look for an offering that is intuitive, integrates easily with existing collaboration tools, works with any device and delivers reliable quality for an overall superior user experience.

Stronger team performance; greater intimacy in working relationships – both internal and external; superior communication and understanding: the reign of the audioconference is over. The era of video conferencing – its tipping point – has arrived.

METHODOLOGY

The above research was conducted by Forbes Insights and sponsored by Zoom, a leading provider of video conferencing and collaboration solutions.

Key findings are based on a global survey of 333 executives conducted in July 2017.

Demographics for the survey include:

Location: North America (32%), Europe (32%), Asia-Pacific (31%), Latin America (5%)

Respondent title: Manager/senior manager (34%), CIO (21%), CEO/President (13%), Director (12%), CTO (8%), 'other' C-suite (6%), VP/SVP/EVP (6%)

Function: General management (53%), IT (47%)

Industry: Healthcare (15%), Manufacturing (14%), Retail and Consumer Goods (11%), Technology (13%), Education (10%), Energy & Utilities (10%), Financial Services (10%), 'other' (17%)

Number of employees: 5,000+ (30%), 2,000-4,999 (24%), 1,000-1,999 (23%), under 1000 (22%)

Qualitative insights stem from interviews with the following executives:

- **Kerry Holling**, CIO/CDO, Western Sydney University
- **Tom Keiser**, CIO, Zendesk
- **Yousuf Khan**, CIO, Pure Storage
- **Srini Koushik**, Chief Technology Officer, Magellan Health

Both Forbes Insights and our sponsor Zoom wish to express our gratitude both to our survey respondents and especially to our interviewees – without whose participation this research would not be possible.

Forbes insights

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