

2009 European Conferencing and Collaboration
Frost & Sullivan Award for Product Differentiation Innovation

WiredRed

The 2009 Frost & Sullivan Award for Product Differentiation Innovation in the European web conferencing services market is presented to WiredRed for its ability to adapt continuously to the growing demands of the market through its unique web conferencing solutions, and the ease of adaptability of its new end-user applications.

A Market Overview

The global recession, the credit crunch, and strict, new environmental laws introduced by the European Parliament in 2008 are motivating European companies to seek alternative way for their people to stay connected, without recourse to travel.



This demand has helped lift the value of the conferencing services market in Europe to €780.2 million in 2008, growing 16.6 per cent from 2007 despite the recession. Growth occurred in all three components of the market, which includes web, audio, and video conferencing. Web conferencing services, which comprised 16.9 per cent of the total market in 2008, showed the highest revenue growth rate.

Conferencing and collaboration technologies - such as web conferencing - are not only delivering end users with significant cost-saving benefits, but are also helping to facilitate a 'greener' approach to doing business.

The general trends that are observed in the European web conferencing services market include: an increased interest of global web conferencing services providers; convergence between audio, web, and video services; and an increase in popularity of the hosted services model.

Stand-alone, web-only conferencing services are now becoming rarer, as integrated audio-web and video service offerings become more widely available and accepted by customers.

The hosted service model is becoming the most dominant model for delivering web conferencing to customers. In part, this is due to companies' desire to reduce capital expenditure - as hosted services do not require costly in-house hardware and applications, maintenance and upgrades - and in part because of the ability of hosted services to adapt quickly to changing customer demand levels.

The UK, France, Germany, Benelux and the Nordic countries are today the most developed conferencing services markets in Europe. In general terms, these countries are further along the technology adoption curve, and the awareness and acceptance can also be attributed to the high number of global companies they have attracted, and the well-developed communications infrastructure.

Award Recipient

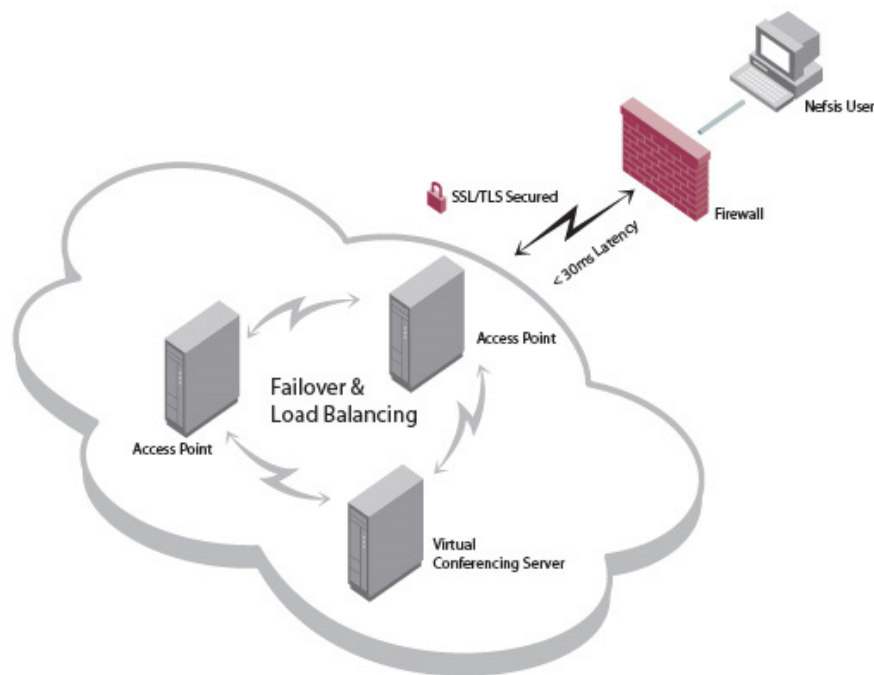
WiredRed Overview

Based in California and with over 4,500 customers around the world, WiredRed has for several years sustained annual sales growth of between 20 and 25 per cent with its first web conferencing product, e/pop.

With its latest offering, Nefsis, WiredRed has become the first company in the world to offer a conferencing service solution based on the technologies of cloud-computing, end-to-end parallel processing and multipoint video conferencing. In addition, the company is able to support multiple platform operating systems, user interfaces, and endpoint types in a single conferencing session.

How WiredRed differentiates itself

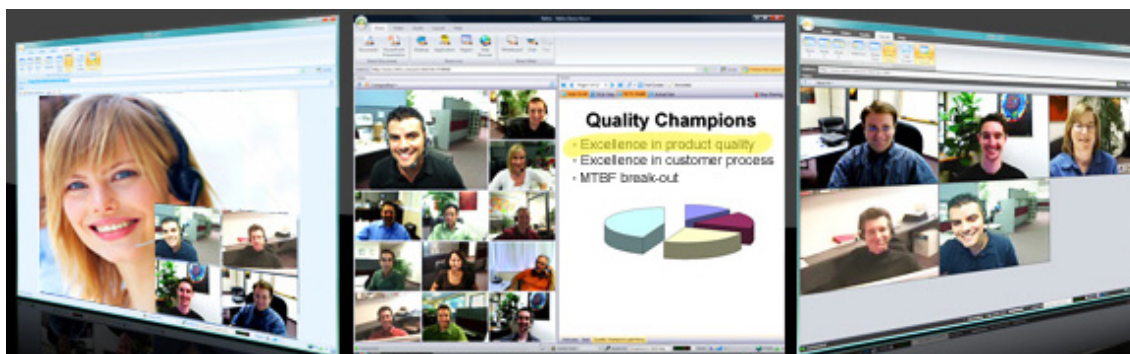
When WiredRed was founded in 1998 to deliver real-time enterprise communications networks, it served many companies that had a preference for on-premise conferencing solutions. Over time, however, clients have gradually changed their requirements, and the company has seen a marked trend towards the outsourcing of communications services and infrastructure responsibilities and costs.



WiredRed's Secure and Scaleable Service Architecture

To accommodate this change in demand, WiredRed created their own data centers, installed the software, gave their clients their own IP addresses and linked to their domain name servers.

According to Tom Sloan, the managing director of WiredRed, their newest product, Nefsis, is truly a cloud-based solution, as the company has clusters of servers all around the world.



The WiredRed Nefsis Service Integrates Audio, Web and Video

What helps differentiate Nefsis from other conferencing services is that it can adapt to changing Internet conditions to provide more capacity or to cover new geographic regions in an instant. Additionally, if a user uses Nefsis - in for example, Italy - the server utilized for the meeting will be located in Italy. If that client then moves to New York, his or her service will then automatically be delivered from a server located in New York, or as close as possible to the city.

This intelligence in the Nefsis service can reduce network latency - and important attribute in real-time communications service - while also facilitating demand load-balancing, automatic failover - should one server fail - and the service scalability.

As two people connect to a conference, the Nefsis service identifies the nearest virtual server with the best capacity and lowest latency. As more people join the

meeting, Nefsis will automatically re-configure the server selection to optimize the service delivery.

WiredRed also offers a private, dedicated cloud service option. Customers are able to install software on multiple servers on their own infrastructure, creating their own dedicated but virtual cloud-based conferencing service.

Next Steps for WiredRed

For the next 12 months WiredRed will focus on rolling out the dedicated version of the Nefsis cloud service, beyond which company aims to add the transcoding of traditional video conferencing into a web conferencing.

Award Description

The Frost & Sullivan Award for Product Differentiation Innovation of the Year is presented each year to the company that has best demonstrated the ability to develop and/or advance products with more innovative capabilities than competing vendors and products. This award recognizes the company's successful adoption of new or existing technology that has become a part of its well-designed product family. Such innovation is expected to significantly contribute to the industry in terms of product performance and degree/rate of technical change.

Research Methodology

Before considering the recipient of this award, the analyst team tracks competing market participants' product differentiation strategies through ongoing research. This research consists of market participant interviews, end-user surveys, and extensive secondary research. The data compiled through this research is analyzed based upon specific measurement criteria for this award. Participants are then ranked with respect to the measurement criteria. The award recipient is ranked number one in the industry.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used in determining the final ranking of industry competitors. The recipient of this award has excelled based on one or more of the following criteria:

- Degree of differentiation innovation compared to other market participants
- Positive impact on sales directly related to product differentiation
- Time to market improvement based upon product differentiation strategy
- Benefit to end users due to product differentiation
- Effect of product differentiation on ease of adaptability for new end-user applications
- Effect of product differentiation on market maturation

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

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